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Police spokesman Senior Inspector Romanu Tikotikoca said the public had been very helpful with the investigations.

He said police stations throughout Viti Levu received calls for many people reporting anything which they thought was suspicious.

A watch is being kept at the Nadi International Airport for a Mohammed Rafiq Kahan, also known as Peter Kahan, or Dr Ralph Khan, the man believed to have master-minded the arms shipment.

Kahan was last seen in Australia last week when the Customs Department officers seized a container of illegal arms destined for Fiji.

Kahan, according to Australian Federal Police, is believed to have fled Australia.

"We are keeping a close watch for the man," a senior Immigration official at Nadi Airport told The Fiji Times.

He said security forces were also keeping a special watch for him in Suva, Lautoka and Levuka.

Yesterday, only one of the 28 people detained in Suva the previous day was still being held. All others had been released.

Three others were brought in yesterday following raids at Wailoku, Nasese and Waila at Nausori.

Police have not released their names.

The three joined the Minister for Foreign Affairs in the deposed Coalition Government, Krishna Datt who was still being questioned.

/9274

MP Refutes Australian Charges of Political Pressure

42130144a Jakarta *ANGKATAN BERSENJATA* in Indonesian 13 Jun 88 pp 1, 7

[Excerpt] Jakarta, ANGKATAN BERSENJATA—H. Imron Rosyadi, SH [Master of Laws], chairman of DPR [Parliament] Commission I, which handles foreign affairs, information, and defense and security, said Australian Labor Party charges of political pressure in Indonesia are not true.

"What happened in Indonesia several years ago was the simplification of political parties, which was done through consultation and under laws ratified by the DPR. It was therefore not political pressure," Imron Rosyadi said in reply to ANTARA questions at the DPR building in Senayan on Saturday [11 June].

"If what they mean, however, is the ban on demonstrations like those held in the past, the fact is the Indonesian people do not demonstrate any more. We can't accept what happened in the past. The important thing now is development and the even distribution of the fruits of development," he asserted.

In the Australian Labor Party's biannual conference at Hobart on 9 June, it accused Indonesia of exercising political pressure and charged Malaysia and Singapore with violating human rights.

It also attacked Indonesian transmigration policies, especially in Irian Jaya, and charged that people continue to cross the border from Irian Jaya to Papua New Guinea.

The DPR Commission I chairman explained that the Indonesian transmigration program is not directed toward Irian Jaya alone but also toward other relatively empty (thinly populated) Indonesian areas such as Sumatra, Kalimantan, and Maluku.

It is appropriate that Irian Jaya, which is three times larger than the island of Java and has less than 5 million inhabitants, should receive additional residents from densely populated Java, he stated.

Imron Rosyadi feels that the figure of 9,000 refugees from Irian Jaya to Papua New Guinea mentioned in the conference is based on old data, because many people who crossed the border have now returned and are living peacefully in Irian Jaya.

When asked if the Australian Labor Party charges would affect relations between Indonesia and Australia, the DPR Commission I chairman said they would not have any effect on the good relations between the two countries.

"I am confident this matter will not affect Indonesian-Australian relations, because I know that the Australian Government as well as the Indonesian Government have a good mutual understanding and that relations are steadily improving," he said.

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Shipping Agreement With Malaysia Signed in KL

42000406a Jakarta *ANTARA NEWS BULLETIN* in English 18 Jun 88 pA3

[Excerpt] Kuala Lumpur, 18 June (ANTARA)—Malaysia and Indonesia here Friday signed a shipping agreement, which among other things, will enable each other to be of mutual help in the event of maritime accidents in their territorial waters.

Malaysia had signed similar agreements with Turkey, Bangladesh, Pakistan, Belgium, Luxembourg, Sri Lanka, the Soviet Union and China.

Transport minister, Dr Ling Liong Sik, said Indonesia is the first country in ASEAN to initial a shipping agreement with Malaysia.

/12232

Taiwan Businessmen Said Interested in Investing

42130143c Jakarta *SUARA PEMBARUAN* in Indonesian 11 Jun 88 p 11

[Text] Jakarta, 11 Jun—Taiwan businessmen now see Indonesia as the best place to invest and thus are directing their investments to Indonesia.

The various incentives provided by the Indonesian Government, such as facilities related to added value taxes (PPN) for imported raw materials that are to be processed and reexported, have created a very good investment climate in Indonesia, Calvin Chen, director of the Information and Communications Division of the Taiwan KADIN [Chamber of Commerce and Industry], told PEMBARUAN in Jakarta this week.

He said many Taiwan businessmen have invested their capital in Thailand, since they felt the investment climate was very good there. Now, however, many investors in Taiwan consider Indonesia to be far more attractive than Thailand. That is the reason many Taiwan businessmen are moving their investments to Indonesia, he stated.

Although Indonesia is viewed as a good place to invest capital, Calvin Chen also hopes the government will try to make the investment climate even better. Taiwan now has an excess of money, and because of that the government is encouraging the people to use their money for

investment or other such things in order to prevent inflation. In view of this fact, the Indonesian Government should take advantage of the great opportunity, he said further.

Referring to the GSP (general system of preferences), Chen said his country has greatly felt the benefit of these facilities provided by the advanced industrial nations. With the GSP to be withdrawn from the four "Asian tiger" countries, the opportunity is now very open for Indonesia. It is now up to Indonesia to take advantage of the facilities. Because of its experience with GSP, Taiwan is ready to cooperate in this connection, he said.

6942

Philippines Reaffirms Support on East Timor Issue

42130142c Jakarta KOMPAS in Indonesian
11 Jun 88 p 12

[Text] Jakarta, KOMPAS—Speaking through its embassy in Jakarta on 10 June the Philippines again expressed the support of the Manila government for the Indonesian position on the question of East Timor. The embassy stated that the Philippines would continue to maintain this position in the UN and in other international forums.

A press statement issued by the Philippine Embassy in Jakarta declared: "The Department of Foreign Affairs of the Philippines has reaffirmed the support of the Philippine Government for the Indonesian position on the East Timor question." The press statement then stated that Manila approves the results of the process of integrating East Timor into the unitary state of Indonesia, which began in 1986.

The statement by the Philippine Government, which in fact was issued in Manila, commented on the remarks of Portuguese President Mario Soares on East Timor and also on the comments of Indonesian Minister of Foreign Affairs Ali Alatas regarding the statement by the Portuguese leader.

On 6 June Indonesian Minister of Foreign Affairs Ali Alatas expressed regret over the statement by President Soares concerning East Timor made in Manila on 4 June, which he considered had twisted the facts. While attending a conference of 12 "newly democratic countries" Soares declared that the integration of East Timor into the territory of the Indonesian unitary state was not in accordance with the wishes of the people of East Timor. Alatas regarded the Soares charge as incorrect.

The Philippines feels that it is partly responsible for the Soares statement, because it provided him with an opportunity to make a statement outside the context of the 12-nation conference, which was held from 3 to 6

June. It is considered that the Philippine press statement, which was issued on 10 June, was intended to clarify the Philippine position on appropriate portions of the Soares statement.

05170

Japanese Ambassador Denies Yen Appreciation Affects Aid

42130142b Jakarta SUARA PEMBARUAN in Indonesian 6 Jun 88 pp 1, 16

[Excerpt] Jakarta, 6 June—Japanese aid to Indonesia for its economic development, which amounts to \$2.3 billion, is not based on the increase in the value of the yen or on the decline in the price of petroleum. It is provided exclusively because the Japanese Government understands the economic situation in Indonesia.

Sumio Edamura, Japanese ambassador to Indonesia, made this statement to a SUARA PEMBARUAN representative at his home on 3 June after presenting a decoration to Dr Sjarif Thajeb.

Mistaken

There are many people who have been mistaken in interpreting the meaning of Japanese aid. The ambassador declared: "It is provided only because the Japanese Government pays special attention to the Indonesian economy."

05170

Diplomatic Relations Established With Burundi

42130142d Jakarta PELITA in Indonesian
2 Jun 88 p 12

[Text] Jakarta, PELITA—Indonesia and Burundi have officially opened diplomatic relations. This was signified by the signature of a joint communique regarding the opening of diplomatic relations at the embassy level by the two countries. The signature ceremony took place in Dar es Salaam, Tanzania, on 31 May 1988.

The Directorate of Foreign Information in the Department of Foreign Affairs in Jakarta declared on 1 June that Husein Joesoef, Indonesian ambassador to the Republic of Tanzania, and Gedeon Magete, Burundi ambassador to the Republic of Tanzania, signed the agreement on behalf of their respective governments.

05170

Sumarlin Suggests Debt Solution for Developing Countries

42130143b Jakarta *SUARA PEMBARUAN* in Indonesian 7 Jun 88 pp 1, 12

[Text] Jakarta, 7 Jun—Minister of Finance Dr J.B. Sumarlin presented three methods that can be used by donor nations to lighten the debt burden of Indonesia and other developing countries experiencing the same problems.

The minister of finance said this at the opening of the 13th Indonesia-Japan Conference in Bali on Monday [6 June]. The conference is sponsored by the CSIS (Center for Strategic and International Studies), Jakarta, in cooperation with the Japan Institute of International Affairs.

The first of the three alternatives offered by Sumarlin is to change all or part of existing loans from debts to grants. In other words, cancel all debts incurred up to a specific date.

Second, in the future try to move more and more commitments from loans—regardless of how attractive their conditions may be—to grants with no repayment requirements and without stipulations as to how the grants are to be used.

Third, if a donor country still wants to provide funds in the form of loans, there should be an option for repayment using a fixed exchange rate, such as the rate in effect at the time the loan is paid out. That means it would resemble exchange rate “swap” facilities.

Eight Hundred Million Dollars

The minister of finance explained that Indonesia would experience an \$800 million relief in debt repayment if loans made before 1986 were converted to grants.

Using a different form, if Indonesia's debt repayment obligation to Japan for this year were based on an exchange rate of 250 yen per U.S. dollar (the exchange rate in effect when most current debts were incurred in 1986, which was very different from the current exchange rate), Indonesia's obligation would be reduced by as much as \$1.5 billion.

“This option should receive serious and urgent attention from Japan, not only where Indonesia is concerned but for all debtor nations,” Sumarlin said.

MP Welcomes Suharto's Instruction on Communist Press Infiltration

42130142e Jakarta *ANGKATAN BERSENJATA* in Indonesian 3 Jun 88 pp 1, 11

[Text] Jakarta, ANGKATAN BERSENJATA—Master of Laws A. A. Oka Mahendra, deputy chairman for political and security affairs of the Functional Development Faction [Fraksi Karya Pembangunan—FKP] in Parliament, considers that the president's order to take firm action against newspapers which carry communist thought is intended to warn the Indonesian people to continue to increase their vigilance so that they will not be “overwhelmed” by the latent danger of the PKI [Partai Komunis Indonesia—Indonesian Communist Party].

He was answering press questions at the Parliament building in the Senayan section of Jakarta on 2 June concerning the order by President Suharto, issued through the Department of Information, to take firm action against press publications which contain communist, Marxist, and Leninist thought. He said: “This is because a pluralistic nation which occupies a strategic position may very possibly be influenced by another ideology which makes use of the remnants of the G-30-S/PKI [abortive communist led coup of 1965].”

On 1 June President Suharto instructed Minister of Information Harmoko to take firm action against publications that carry communist or Marxist writings.

Firm action is to be taken in accordance with the regulations and provisions of law in effect, because this involves the right to life and the ideological existence of the Pancasila [Five Principles of the Nation], the chief of state said.

Minister of Information Oka said that the statement by the chief of state was indeed appropriate, so that the mass media, as a strategic point of national development, would not bring in PKI elements, bearing in mind that there are already many former detainees of the G-30-S/PKI movement who have been released and are now widely spread in the community.

Minister Oka said: “The important thing in this matter is how to abolish poverty, so that there will be no opportunity for communism to carry on its propaganda by making use of disturbed social conditions.”

According to Minister Oka, evenly distributed development and national discipline must be attained by all of the people throughout the country.

He said that ideological awareness must continue to be developed, through P-4 programs [Pancasila indoctrination courses], while it is hoped that social and political organizations will emphasize to their members remaining loyal to the Pancasila and the Constitution of 1945.

Most Effective

Minister Oka went on to say that the appeal by the chief of state which was emphasized to the press was made because the press is the most effective of the mass media.

Therefore, before undesirable incidents occur, preventive efforts need to be made so that the press will continue to be "sensitive" and vigilant regarding the fact that the PKI is a latent danger.

FKP leaders have also declared that the PKI has repeatedly betrayed the Indonesian people. The first time was in 1948, in what is known as the Madiun Affair, and it also was involved in the G-30-S/PKI rebellion, which cost the lives of several Army generals.

According to Oka, these incidents are sufficient warning that they should not be repeated.

He also emphasized that firm supervision is necessary to prevent elements of the G-30-S/PKI movement from holding important positions, both within the government and in social and political organizations, as well as in the economic sector.

He said: "For that purpose the independently made statement by former G-30-S/PKI detainees still needs to be filled out as a condition for them to become employees of the government, the private sector, or of other organizations."

In addition, Oka Mahendra said that the security apparatus of the government also needs to continue to be vigilant concerning the activities of former detainees of the G-30-S/PKI movement.

05170

Information Minister Defines 'Communist Journalists'

42130143f Jakarta *SUARA KARYA* in Indonesian 6 Jun 88 p 1

[Text] Solo, *SUARA KARYA*—The government's understanding of who communist journalists are is not limited merely to those who once were involved directly in the G-30-S/PKI [30 September Movement/Indonesian Communist Party]. "They include in an extensive way all members of the press who adhere to Marxist-Leninist ideology," declared MENPEN [Minister of Information] Harmoko in reply to reporters' questions following a dialogue with lecturers of the Indonesian Gamelan Music Academy (ASKI) of Surakarta on Saturday [4 June] at the Kertingan, Solo, campus.

The minister very much supports the Central PWI [Indonesian Journalists Association] in its call for the purging of all such elements. The appeal, which was

made on 25 May, included a request that all press publications in Indonesia refrain from employing such people and from publishing any communistic articles written by their reporters.

The Department of Information [DEPPEN] does not so far have a list of press employees with PKI indications who should be immediately dismissed. "We do possess, however, a document with the names of the journalists who were involved in the illegal 30 September Movement," he added.

Harmoko acknowledged that the data will be used to help them with checking. "The ones we must be most alert for and whom we must still seek are Communists in category 'F,' whom the PKI deliberately and secretly infiltrated into every level of society," the MENPEN stated.

Facts show that the communist threat in Indonesia is not completely dead. Indications of that have begun to appear in the press sphere during the last several years.

DEPPEN is still using the system of values in effect in Indonesia as a control mechanism. Under this system, all PWI organizations at all levels hold P4 [Pancasila indoctrination] and National Awareness upgrading in order to strengthen conviction as to the validity of the ideology of an independent and responsible Pancasila press.

In reply to a question, the minister confirmed that DEPPEN will not issue any new SIUPP's [press enterprise permits], because publications in Indonesia, which now number 245, are felt to have exceeded the saturation point.

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PDI Official Denies Alleged Communist Ties

42130143e Jakarta *SUARA PEMBARUAN* in Indonesian 10 Jun 88 p 10

[Text] Jakarta, 10 Jun—Drs Nico Daryanto, secretary-general of the Indonesian Democratic Party [PDI], on Friday morning [10 June] denied the contents of a document that states he is the adopted son of an Army major who was dishonorably discharged for involvement in the G-30-S/PKI [30 September Movement/Indonesian Communist Party].

In the DPR [Parliament] earlier on Friday morning, DPR member Thaib Said Ali had expressed his concern over a document containing testimony by two Surabaya residents that included the above statement. The member of parliament said this to the press and added that the document will be handed over to the MENKO [coordinating minister] for POLKAM [politics and security], the MENDAGRI [minister of home affairs], the attorney general, and the head of BAKIN [State Intelligence Coordination Agency], who have the authority to investigate the matter.

Nico, who denied the testimony in an interview with PEMBARUAN, also added, "Put it in the paper, so that everyone will know." He said he was surprised and claimed he did not recognize the names of the people who made the testimony. I do not know Army Major Hartono, he said. He said he did not know Soetarno A.R. or Ribut Soeyono, either.

Thaib Said Ali said that if the testimony is true, it will be a catastrophe in the PDI organization, for history notes that in 1965 the PNI (Indonesian National Party) was infiltrated by Engr Surachman, who succeeded in becoming the party's secretary-general in spite of his being a PKI member and cadre. Said Ali, who is also a member of the PDI faction, said that, without intending to identify the PDI with the PNI, Nico coincidentally holds the office of secretary-general, too.

Said Ali, who is a member of DPR Commission V, distributed photocopies of the testimony to the press. The document included testimony by Soetarno A.R., of Banyu Urip Kidul V/24, Surabaya, and Ribut Soeyono, of Panduk Village, Rungkut Subdistrict, Municipality of Surabaya, that Nico Daryanto, secretary-general of the PDI DPP [Central Executive Council], is the adopted son of a Major Hartono who was dishonorably discharged for involvement in the G-30-S/PKI. The statement was dated 6 June 1988 in Surabaya.

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Parliamentary Leaders Comment on Communist Threat, Infiltration

Speaker's Comment

42130142a Jakarta KOMPAS in Indonesian
13 Jun 88 pp 1, 8

[Excerpts] Jakarta, KOMPAS—Kharis Suhud, speaker of Parliament and of the MPR [Majelis Permusyawaratan Rakyat—People's Consultative Assembly], has warned that former members of the PKI [Partai Komunis Indonesia—Indonesian Communist Party] included on the "F" list have not yet been caught. This group will take action when there is an opportunity and will remain silent when an opening is not available for them.

He made this statement before 123 university students of the Faculty of Law of the UNS [University of 11 March in Surakarta] on 11 June in the hearing room of KK 1 [Control Committee 1] in Parliament.

Answering a question from a student of the Faculty of Law of UNS concerning the G-30-S/PKI [abortive PKI-led coup in 1965], the chairman of Parliament and of the MPR declared that those involved in this incident are included on certain lists. Those on List "A" will be tried in court; those on List "B" will be actively sought; and

those on List "C," among other things, will be dismissed from their jobs or employment. Kharis Suhud said that "those on List 'F' have not yet been caught."

Later in his speech he warned that Indonesian communists are always in touch with international communists, who will give them help at any time. For that reason the Indonesian people must always be vigilant.

Regarding vigilance against the danger of Marxist-Leninist communism within the Indonesian Armed Forces, this is already clear and well defined. The Indonesian Armed Forces not only are known to have purged themselves but also to have purged those groups surrounding them. He added: "Meanwhile, the important thing for civilians is to purge themselves."

Regarding inactive, former PKI members, the chairman of Parliament and of the MPR declared that they will receive legal protection. This means that if there is no reason for doing otherwise, they will be punished or protected, in accordance with the regulations in effect.

In another section of his speech Kharis Suhud declared firmly that Indonesia will not adopt the system of a single political party.

He said that at the beginning of the New Order there were those who proposed adopting a party system like that in the United States. This would have meant that in state administrative practice there would only be two political parties. That is, the party in power and governing the country and the opposition. However, everyone finally agreed that there would be three social and political organizations taking part in the general elections and the social and political force of the Indonesian Armed Forces.

Deputy Speaker's Comment

Jakarta SUARA PEMBARUAN in Indonesian
7 Jun 88 pp 1, 12

[Excerpts] Jakarta, 7 June—It is felt that our sensitivity to the communist danger at present is inadequate. Furthermore, the government administration still seems weak in this regard. These shortcomings make it easy for elements of the PKI (Partai Komunis Indonesia) [Indonesian Communist Party] to infiltrate into government and private sector institutions. For that reason we still consider that communism is a latent danger against which we always need to be vigilant and to take preventive action.

This view was the conclusion drawn from separate press interviews held on 6 June with Saiful Sulun, deputy chairman of Parliament for political and security affairs, and Dr Mohammad Husnie Thamrin, deputy chairman of Committee X of Parliament. The interviews took place at the Parliament building in the Senayan section of Jakarta.

According to Maj Gen Saiful Sulun, the major issue of PKI infiltration, both within the government as well as in the Indonesian private sector, should not cause panic or unrest. He said: "For if we really are sure that we know that there are PKI elements in place, we should immediately report to the Security and Order Command or to the authorities in the provinces." In this way, he said, all of us must be vigilant in facing up to this question, and not just GOLKAR [Golongan Karya—Functional Groups political party].

Regarding administrative weaknesses in the government, Saiful Sulun gave as an example the fact that changes of residence cannot be followed accurately. Thus, if there is a change of residence from one area to another, one cannot be absolutely sure whether those involved are clear of PKI elements. The former commander of Military Region V/Brawijaya said: "Such weaknesses make it easy for infiltration to take place."

Inadequate Indoctrination

In that connection Dr Mohammad Husnie Thamrin, the deputy chairman of Committee X of Parliament, admitted in answer to a question that in addition to government weakness in administrative affairs involving the registration of former political detainees as well as other PKI elements, this is also the case in their indoctrination. He said: "On the whole, we are unable to detect them at present." He added that in this connection we always say that communists are a latent danger which could threaten the ideology of our nation, that is, the Pancasila [Five Principles of the Nation].

He also said that in the present phase of preventing the spread of communist thought we should also begin to consider more seriously the development of an anti-communist methodology of education. At present the younger generation is urged to stay away from communism and to be anti-communist. However, there are not many young people who really know what danger may come from communism.

The former general chairman of the Executive Committee of the Indonesian Islamic Students Organization [Pelajar Islam Indonesia—PII] also said that in Taiwan, in an effort to guard against the entry of communist thought, students are taught about this danger from the time they are children in kindergarten. Of course, this teaching is adapted to their capacities and ability to think. Furthermore, the methods of instruction and the materials taught are coordinated with and work through the process of research. And instruction in anti-communist thinking is continued until they enter institutions of higher education.

Thamrin then asked how far the present literature in our country is aimed at a methodology for anti-communist education in the schools. With that in mind the Department of Education and Culture could cooperate with other departments involved, such as, for example, the

Department of Defense and Security, intelligence agencies, and others, in creating a literature as a basic guide so that anti-communist thought could become part of their thinking from an early age.

Should there be additional subjects taught in the school curriculum? Thamrin answered: "This is not necessary." It will be sufficient to continue with certain subjects which can be related to knowledge regarding the dangers of communist thought. He said: "Basically, there are books available, suitable for the thought processes of the younger generation at every level of education."

Of course, in institutions of higher education, the characteristic of anti-communist thinking is more analytical. In this way the university students must obtain sufficient material on Pancasila thinking. And the philosophy of the Indonesian nation and state can be compared to other teaching, including communism. He said: "Because communism as an ideology is clearly in conflict with the Pancasila, the younger generation must be prepared with a high level of awareness that it is only the Pancasila which is effective and which can guard against any other existing ideology."

05170

HMI Urges Universities To Allow Student Organizations

42130143d Jakarta KOMPAS in Indonesian
13 Jun 88 p 12

[Excerpts] Jakarta, KOMPAS—Campuses must be open to student organizations capable of encouraging development of the leadership dimension. Such a policy would be consistent with the designation of Pancasila as the sole principle of community organizations, including student organizations.

Drs Didin Syarifuddin, chairman of the PB HMI (Executive Board of the Islamic College Students Association), stated this opinion in a press conference on Saturday [11 June].

The press conference, held at the office of the PB HMI, was in anticipation of the 17th HMI Congress, which is to be held from 29 June to 6 July at the LNG [Liquefied Natural Gas] Industrial Area of PT [Limited Company] Arun at Lhokseumawe (Aceh).

He expressed his hope that campuses will be open to student organizations as a consequence of the designation of Pancasila as sole principle.

He said the present status of student community organizations is different from their status in the past when they actually were extensions of sociopolitical force organizations. "Now, however, they are independent and will help develop the leadership dimension," he stated.

He said that campuses are not able to provide everything. For that reason, he hoped that student organizations, including HMI, will become campus partners.

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Environmentalists Oppose Proposed Nuclear Power Plant

42130143a Jakarta SUARA PEMBARUAN in Indonesian 4 Jun 88 pp 1, 12

[Text] Jakarta, 4 Jun—The Indonesian Environmental Association (WALHI) has again declared its position on plans for the construction of a nuclear electric power plant (PLTN) in Indonesia. "Indonesia does not need to be rash or in a hurry to decide if a PLTN is the ultimate way to fulfill electric energy requirements," the federation of nongovernmental organizations said on the occasion of International Environment Day.

In a press conference in Jakarta on Friday [3 June], WALHI leaders said they viewed the construction of a PLTN as a waste of foreign exchange and an unnecessary risk, for, according to them, energy needs will be met in the year 2000 even without a PLTN.

WALHI feels there is no strong reason for saying a PLTN is needed in Indonesia. Economic, institutional, public safety, and environmental considerations indicate that nuclear power is not suitable for Indonesia, especially now.

The speaker on that occasion was WALHI Director Agus Purnomo, MBA, in addition to Dudo Sambodo and Rini, members of a team that studied the impact of a PLTN at the foot of Mount Muria (Jepara, Central Java). The electricity from that power plant would be distributed to meet the needs of the industrial sector in Java. Residents in the areas of Pati, Rembang, and Jepara would thus not benefit from it, although they would be the first to be evacuated if there should be an accident like the ones at TMI (Three Mile Island) in the United States and Chernobyl in the Soviet Union.

According to Rini, the PLTN is the choice of an individual, but the consequences of it will be borne jointly. He asked who will now decide to take the risk of what will happen. The question of risk should be raised again. Studies made by WALHI in cooperation with MAPA-GAMA (Nature-Loving Students at Gajah Mada University) included an analysis of the physical environment, such as the likelihood of an earthquake, and of the sociological environment.

Ujung Watu, located in the Keling and Bangsri Subdistricts, has been designated as a possible location for a PLTN, in accordance with the recommendation of a team formed by BATAN (National Atomic Energy Board) and PLN (State Electricity Public Corporation) with the assistance of consultants from NIRA [National Institute for Research Advancement] (Italy).

WALHI sees that area as one traversed by a fault line in addition to being at a fold of an earth plate. According to Sambodo, there is great danger for all types of buildings at that location, more so because it is within a region of earthquakes measuring 6 to 7 on the Richter Scale.

Furthermore, although volcanoes around the foot of Mount Muria have been declared no longer active, they will become active again at some moment. Consistent with activity in nature, they are never totally 100 percent dead. Therefore, investigation of conditions at that location should be expanded by means of geological studies, stratigraphic mapping of volcanoes, and examination of of rock, water, and gas samples.

Sociological studies conclude that, among other things, the local population knows absolutely nothing about the PLTN.

Parliament

Purnomo said the DPR [Parliament] so far has not invited WALHI to present views on plans to build the PLTN. In fact, the commission handling the matter stated emphatically that the PLTN will be safe, because, according to Purnomo, their expenses were paid by BATAN to see several PLTN's overseas.

"If WALHI had the money, we would also invite DPR members to visit TMI or Chernobyl," he asserted.

According to WALHI, the future PLTN site has been fenced, and the public is not permitted to enter. They also said that an ANDAL (environmental impact analysis) has been made of the project. Its findings have been kept secret, however, in spite of the fact that according to Government Regulation 29/86 the findings of an ANDAL are to be available to anyone. Furthermore, WALHI feels that the wrong method was used in making the ANDAL.

WALHI also believes that the main backing for the PLTN comes only from BATAN. Apart from BATAN, there are only a few people who favor it. In fact, PLN, which holds a monopoly on the procurement of electric power, does not see a need for a PLTN in Indonesia in the near future. Those who oppose it are people in academic circles, community leaders, environmental activists, and economic observers.

6942

Jakarta Stock Exchange Moves Toward Bull Market

42130133a Jakarta TEMPO in Indonesian 14 May 88 p 87

[Text] The Stock Exchange Building, at the corner of Sabang and Merdeka Selatan Streets, was in commotion. The capital markets in the air-conditioned hall were again busy. Investors were pouring in, brokers were

screaming to pounce on any shares to be sold, and even the prices were rising. The share price index barometer that had reached its lowest point of 66.36 at the end of 1984 has begun to rise. At the end of last month, the barometer broke 100. At the close of market last 6 May, the Share Price Index [IHS] recorded 109.90.

The Index has risen because almost all shares have participated in the rise. Even shares which have not yet declared dividends have shot up. Look at Regnis shares, for example. The shares of the company that makes Singer sewing machines, which have a nominal value of 1,000 rupiahs apiece, have for months been pegged at 390 a share. But at the close of market day last 6 May, brokers on the exchange had shouted the price up almost two-fold, to 640 rupiahs a share. It is said that this drastic rise occurred because Regnis shares are being bought up by the brokerage firm PT Tumora.

It is the same case for the shares of Goodyear, which have a nominal value of 1000 rupiahs a share. The portfolio of the Flying Horse brand tire company recorded a fantastic rise of 73 percent. Last month, the price was still 640 a share, but by the end of last week it had already shot past the nominal price to 1,120 rupiahs a share.

If you view the rise in points (one point has a value of 25 rupiahs), shares of PT Semen Cibinong hold the record. From 22 April to 5 May the price rose 66 points, that is from 12,000 rupiahs to 13,650 rupiahs a share.

What has caused the exchange to experience this bull market? Market expert J.A. Sereh, retired Chairman of PT Danareksa and now preparing to establish a new brokerage company, sees four factors.

First, investors see several indicators that the Indonesian economy is improving, for instance the improving non-oil exports. As a result, companies such as Goodyear and Singer are widening their markets abroad, and even though they are now losing money, it is hoped they will turn a profit and declare dividends.

Several companies are also demonstrating greater capabilities. Their profits are increasing, they are more frequently paying dividends, and they are even issuing bonuses to shareholders. This is evident, among others, at the medicine company RVI, which produces several Vicks brand cold medicines.

In Sereh's opinion, the deregulation of 24 December 1987 (Pakdes) also quickened the acceleration of the rise in the Index. Before the deregulation, the fluctuation in share prices never rose or fell more than 4 percent a day. Now, however, prices can rise or fall to any level. Clearly, this excites the investors who like to speculate even more.

The development of the rumor that even bank deposits are going to be taxed must also be considered. But other brokers don't believe the deposit tax issue can be made an excuse. "The textbooks say that that if deposits have a high interest rate, then people will still choose deposits in the bank," said Agus Salim Abbas, a director of the brokerage firm PT Aksara Kencana.

Agus believes that speculation on capital gains, along with dividends, is an encouraging factor now. "Speculation is different than gambling. If you are placing bets, you can lose all your money, while in the stock exchange, shares are not going to fall. Unless there is a crash like on Wall Street," said Agus.

"The rise in the number of buyers and the limited number of shares registered on the exchange is one reason," said director of PT Intan Artha, Kitty Twysell. Nowadays there is a flood of people interested, but a limited number of instruments to be played. There are only 24 shares that can be played, and that is far less than can be traded.

Presently it is believed that most of the investors, in the past, gave up their shares when prices fell. Only PT Danareksa was active in purchasing shares during that time, so that now the company controls more than 50 percent of the shares. But luckily word has it that Danareksa, which is now led by R. Subagyo, wants to be courted. "Before, when Mr Sereh was in charge, if we wanted to buy he was suspicious and would only sell at high prices," said a TEMPO source.

The Chief of the Capital Markets Management Agency (Bapepam), Barli Halim, confirmed Kitty's opinion. "We should really have at a minimum 100 different shares traded on the exchange. This is according to the recommendations of the World Bank and Asian Development Bank," said Barli.

Another factor that has led to activity in the capital markets, according to the Chief of Bapepem, is permitting foreigners to buy shares of several of the companies on the exchange, up to a maximum of 49 percent of the total value of the company's shares.

According to Barli, there has already been a directive for this in the December deregulation package. Foreign investors may purchase the shares of six companies: Sucaco, Asuransi [Insurance] Panin Putera, Sari Husada, Pan Junior Insurance, Hotel Prapatan, and Jakarta International (Borobudur) Hotel.

The trend towards an active exchange is expected to continue to rise. "At a minimum, the Stock Index is not going to go down in the next 2 years," said a convinced Agus Salim Abbas. He hopes the capital markets will draw in more investors. "Because the activity of the exchange will very much influence the economy in a global manner. Industry will become ever stronger, employment will rise, and the economy will become more

and more healthy," said the director of PT Aksara Kencana, who has often been asked to provide papers for several seminars on the capital markets.

But J.A. Sereh is afraid that if the trend continues to rise, a crash like that of Wall Street in October 1987 may hit the Jakarta exchange. The exchange is indeed a place of speculation. And uncontrolled speculation can be dangerous. "The important thing is that brokers make clear to their customers what the true situation is," said Sereh. "It is better for people to make a little bit of profit and last, than for them to make large profits but then huge miscalculations. It could be dangerous to the exchange in general," expressed the former chief of the PPUE (Currency and Securities Traders Association).

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Biographical Items on Various Government Leaders

John P. Louhanapessy, Poedji Koentarlo

42130144b Jakarta *TEMPO* in Indonesian
21 May 88 p 38

[Text] On Tuesday, 10 May, John Louhanapessy, was inaugurated as director general for political affairs, replacing Nana Sutresna. Meanwhile, Poedji Koentarlo, MA, was installed as director general for foreign economic relations (HELN), replacing Gusti Rusli Noor. Nana takes up a new assignment as permanent representative/Indonesian ambassador to the United Nations in New York, replacing Ali Alatas, now minister of foreign affairs.

The two new directors general, J.P. Louhanapessy, 59, and Poedji Koentarlo, 56, are career diplomats. John graduated from the Foreign Service Academy in the class of 1953 and had assignments at KBRI's [Indonesian embassies] in Bonn (West Germany), North Vietnam, and later Paris. From 1979 to 1982, he was Indonesian ambassador in Prague, Czechoslovakia. He later served as head of the DEPLU [Department of Foreign Affairs] Education and Training Center. In 1986, he was appointed Indonesian ambassador to Hanoi. John has active mastery of four foreign languages: Dutch, English, French, and German.

Koentarlo is not new to Ali Alatas. Before becoming director general, he was deputy chief of mission at the Indonesian Permanent Mission (PTRI) at the United Nations. As an alumnus of the Foreign Economic Relations Service Academy (ADHELN) in the class of 1953, his first foreign post was at the KBRI in Washington, DC, in the United States. He was then transferred to the PTRI in Geneva. Koentarlo has often been appointed to membership on Indonesian delegations to various international conferences.

Maj Gen Raja Inal Siregar

42130144b Jakarta *SUARA KARYA* in Indonesian
6 Jun 88 p 11

[Excerpts] Jakarta, *SUARA KARYA*—On 13 June, Minister of Home Affairs Rudini will inaugurate Major General (TNI [Indonesian National Army]) Raja Inal Siregar as governor of North Sumatra Level I Region for the 1988-1993 term, replacing Major General (TNI), retired, Kaharuddin Nasution, whose term of office is soon to end.

The governor-designate, who now is still commander of KODAM [Military Region] III/Siliwangi, was born in Medan on 5 March 1938. Raja Inal Siregar married Yuniar Pane in 1964 and has six children, consisting of five daughters and one son.

R.I. Siregar is the third son of Kario Siregar and Kodiah Boru Harahap. After graduating from the Model SMA [High School] in Medan, he entered the Military Academy, graduating in 1961. His special training included the Infantry Development Basic Course (1962), SUSPARA [Paratrooper Course] (1962), SUSKU-PALTU [****] (1965), SUSLAPSIF [****] (1968), and SESKOAD [Army Staff and Command School], (1974).

He graduated from the Military Academy in 1961 with the rank of second lieutenant. He became first lieutenant in 1965, captain in 1968, major in 1970, lieutenant colonel in 1975, colonel in 1979, brigadier general in 1984, and major general in 1985.

Prior to holding the post of PANGDAM [commander of military region] III, he once served as WAAS INTEL [deputy assistant for intelligence] for KODAM II (now KODAM I)/Bukit Barisan.

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Travel Restrictions to Socialist Countries Lifted
42000394 Kuala Lumpur NEW STRAITS TIMES
29 May 88 p 4

[Text] Kuala Lumpur, Sat.—The Cabinet has agreed to allow civil servants to visit socialist countries for trade union activities, Labour Minister Lee Kim Sai said today.

The decision was made at a cabinet meeting 2 weeks ago.

Mr Lee said public sector trade union officials from socialist countries would also be allowed to visit their counterparts here.

Prior to this, the government only allowed the Malaysian Trades Union Congress to organise visits of their officials and members to socialist countries for trade union activities.

Mr Lee said he did not know why the government had in the past decades restricted civil servants from visiting their counterparts in socialist countries.

Probably it was because there had been very few exchange visits between public sector trade unions here and those in socialist countries.

"In the past, the tendency was frequent visits between MTUC officials and members and their counterparts in the socialist countries."

He was speaking to newsmen before opening the Cuepacs Labour Day Games at Stadium Jalan Raja Muda here.

Economic Growth

He was commenting on the letter sent by Cuepacs Secretary-General Mohamed Abbas 2 weeks ago to Prime Minister Datuk Seri Dr Mahathir Mohamad urging the government to lift the restriction on visits by civil servants to socialist countries.

In his speech, Mr Lee said the proposed changes to the labour laws were to encourage economic growth without jeopardising the workers' welfare.

He said the recent undertaking by Deputy Prime Minister Ghafar Baba, who is the chairman of the special committee studying the labour law amendments, was proof that the government would always take into consideration views expressed by workers on any legislation affecting their welfare.

Encik Ghafar at a meeting last Wednesday assured Cuepacs and MTUC that he would re-study the proposed labour law amendments, especially those said to be unfavourable to workers.

Mr Lee said the labour law changes would help the government overcome the unemployment problem.

He said that 10 percent or 560,000 of the employable population was unemployed.

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Influence of UMNO 'Team B' Seen Decreasing
42130146c Kuala Lumpur UTUSAN MALAYSIA in
Malay 4 Jun 88 p 8

[Commentary by Lotfi Ismail: "Team B's Influence on the Decline"]

[Text] The race for influence between the two groups of former members of UMNO (Old)—teams A and B—recently has been affording a more and more visible victory to team A.

There is evidence that supporters of Tengku Razaleigh Hamzah (leader of team B) are increasingly unclear about their team's direction and objectives. On the other hand, there is evidence that supporters of Datuk Seri Dr Mahathir Mohamad (leader of team A) are increasingly convinced and clear about the direction and objectives of their team, which now has channeled its endeavors through a new, legal political body, i.e., UMNO (New).

Tengku Razaleigh has lost from upper levels some of his original supporters.

They include Datuk Abdullah Ahmad Badawi, Datuk Abdul Kadir Syeikh Fadzir, Datuk Abdul Ajib Ahmad, and several others.

They, however, are merely the top-level people who are leaving team B. The number of those at middle and lower levels who are reversing course is certain to be many times greater.

They possibly have now jumped to team A or have chosen to be spectators overwhelmed by feelings of disappointment, disgust, and anger—anger because of the conduct of team B leaders, who have been "unclear, secretive, and disunited in their actions."

Just look back a moment to the time when UMNO (Old) was first declared illegal. At that time, the expectations and hopes of certain former members of UMNO (Old) with respect to team B were so high that they greatly concerned team A supporters.

The groups appeared to be equally strong at that time. Subsequent developments, however, little by little tipped toward team A. In other words, the popularity ratings between teams A and B have now begun to be controlled by team A.

What is the reason for this phenomenon? There are actually many factors behind it.

First: They worked too long without an organization. The team led by Tengku Razaleigh still has not channeled its endeavors through a political organization.

Consequently, Tengku Razaleigh's supporters are increasingly uncertain and unclear about the direction and objectives of Tengku Razaleigh and his senior people.

This appears to me to be a great political mistake that should have been avoided at the outset by Tengku Razaleigh and his senior people.

Look back a moment to the formation of the BERJASA [Malaysian Front Islamic Council] party about 11 years ago. The birth of BERJASA, which came at a time (1977-78) when political unrest was peaking in Kelantan, was warmly welcomed by the people of Kelantan, especially PAS [Pan-Malayan Islamic Party] members and supporters who were fed up with PAS.

The tremendous reception of the newly formed BERJASA by the people of Kelantan was immediately manifested when 12 of its candidates won in the 1978 elections for the Kelantan State Legislative Assembly.

At the same time, thousands of former PAS members as well as people who for the first time were joining a political party thronged to join BERJASA.

If BERJASA had not been formed immediately, I am confident that supporters of Datuk Haji Mohammad Nasir (first president of BERJASA) would have quickly left him and his senior people and that the 12 BERJASA seats in the State Legislative Assembly could not possibly have been captured by BERJASA.

Relating that event to what is being experienced by team B and its supporters, it is very likely that Tengku Razaleigh's supporters will soon leave him.

This will happen solely because of the delay by Tengku Razaleigh and his senior people in finding a legal political organization that his supporters can join.

The steps that were taken to restore outlawed UMNO (Old) were not wise from various aspects.

Second: There has been no coordination of action among team B leaders.

Some members of parliament from team B have declared themselves as independents. So far, there are two independent members of parliament from team B: Datuk Shahrir Abdul Samad and Taufik Tun Dr Ismail.

Other members of parliament from team B have chosen to remain in the BN [National Front] or call themselves representatives of UMNO (Old).

In this connection, the top leadership of UMNO (New) has decided to remove from representation of the BN all members of parliament (Parliament or state legislative assemblies) who won on the UMNO (Old) and BN ticket in the last elections if they are unwilling to join UMNO (New).

In this important matter, it is clear that members of parliament from team B were not in agreement.

This situation can cause confusion and at the same time erode the confidence of team B supporters as to the direction and objectives of team B leaders.

This is another heavy blow to the influence and leadership of Tengku Razaleigh.

Third: More and more members of parliament from team B are challenging members of parliament from team A—now UMNO (New)—to give up their seats and recontest them one by one.

The actions of members of parliament from team B in challenging team A members reflect how far they have been carried by the psychological and emotional flood resulting from their involvement in team B.

It must be realized that this spirit of mutual challenge is found only among children. Children who feel offended or frustrated usually challenge other children in order to determine who is the strongest.

Should our members of parliament have this childish spirit, too? What is the opinion of the people toward their mentality?

I am confident that members of parliament from UMNO (New) will not respond to the team B challenges.

These are some of the factors contributing to the erosion of influence and image of Tengku Razaleigh's team B.

In this situation that is altogether unfavorable to team B, it would be well if UMNO (New) would soften its attitude and position toward its old colleagues in team B.

It is like two groups of people at war. Group B is almost out of ammunition, but group A still has a big supply. Try to think of a formula for peace that will enable restoration of Malay unity through the miraculous UMNO (New).

I feel that great statesmen like Datuk Seri Dr Mahathir Mohamad and Ghafar Baba can perform this task, God willing.

Released Chinese Detainees Comment on Detention

Tan Seng Giaw's Comment

42050026B Kuala Lumpur NANYANG SIANG PAU in Chinese 5 Jun 88 p 3

[Excerpts] Tan Seng Giaw, vice chairman of the Democratic Action Party [DAP], who was released yesterday, firmly indicated that he will more than ever before uphold his political principles and standpoint, and fight for a more beautiful Malaysia, and that his personal inconvenience and sacrifice are of no importance.

Dr Tan, who has been detained for 225 days under the ISA, described his 7-month-long detention as a small thing, adding that what is most important is the future of the entire country, society and people.

He earnestly pointed out: "It is not easy to be a good citizen. Apart from making an effort, a person must be prepared to sacrifice oneself, or else it would be difficult to become a fine citizen.

"As Malaysian citizens, what we want to see is a more beautiful and presentable country, but we often meet with many difficulties when we want to do a good job.

"Personally, my sacrifice means nothing. I'll persist in my political standpoint and principles to serve and give contributions to the country."

Dr Tan confirmed that his release from detention was conditional on the following: 1) that he is restricted to living in Kuala Lumpur or Petaling Jaya and that he is not permitted to travel outside without police permission; 2) that he can change residence only with police permission; 3) that he report to the Petaling Jaya Police station once a month; 4) that he remain at home from 10 pm to 6 am every day, unless he obtains a written permit from the authorities; and 5) that if he should move, the previous for conditions still apply.

This morning he disclosed that he had just been to the police to negotiate about the first restriction on the ground that as a state assemblyman representing Klang district, it would be unfair if his activities were restricted to Kuala Lumpur and Petaling Jaya only. He added that he has to meet with the voters in Klang district, and that the state assembly and government offices are also located within this district.

Dr Tan hoped that the police would consider his request of allowing him to extend his political activities beyond Kuala Lumpur and Petaling Jaya, so he can carry out his official duties in the Klang district.

Asked about his feeling after his release, Dr Tan said: "I don't feel happy or sad about it."

Talking about his detention days, he said the first 60 days were the hardest to endure. At the time he was detained at the police station in Kuala Lumpur, cooped up in a cell all by himself and wearing "Vietcong garb." When he was let out on business, his eyes were blindfolded and his hands were manacled. At one time, he was "completely forgotten" for a period of 2 weeks.

He said that if an ordinary person cannot endure such treatment, he would be a "goner;" but if he can take it, his mentality would be made stronger. Such a test could produce either positive or negative effects on the detainees.

Although he has won a conditional release Dr Tan indicated that he is by no means happy, because his five other fellow DAP officials are still in custody.

He said: "They have not regained freedom, so our release from detention doesn't mean anything."

Dr Tan Seng Giaw disclosed that he was notified about his release at 3 pm yesterday and that at the time Lim Kit Siang and others also got wind of the news.

Asked whether Lim Kit Siang entrusted any message upon learning the release of Dr Tan and Mr V. David, Dr Tan said that Lim urged both of them to keep shouldering their party's tasks, maintain solidarity and serve the party, society and country.

Dr Tan said that Lim Kit Siang and others in detention are in good health and that they are training and tempering themselves.

Asked whether he would act as a mediator in the squabble within the DAP which took place during a party election several months ago, Dr Tan said that he will try his utmost to unify the leaders of his party.

He said: "I will tell them that it means nothing to make a personal sacrifice or to suffer some personal inconvenience."

Last night, at a press conference in Petaling Jaya after returning from his detention, Dr Tan Seng Giaw criticized that the food served at the Kemting Detention Camp was extremely bad and that the medical care provided by the Health Ministry to the detainees was also way below par.

Comments of Sim Mou Yu, Lim Fong Seng

42050026B Kuala Lumpur NANYANG SIANG PAU in Chinese 5 Jun 88 p 3 [Excerpts] Both Lim Fong Seng and Sim Mou Yu said that our country's democracy should be enhanced to a higher level.

Mr Lim said that our level of democracy should be lifted up to a point where the guilty must be brought to court and the innocent should not have their freedom restricted.

Mr Sim said that Malaysia is a democratic country, but it appears that too much pressure has been exerted on well-intentioned pressure groups and patriotic elements who are fighting for national language rights reasonably and in conformity with the national constitution.

Both believe that since the government has returned them their freedom, it should give them complete freedom, instead of attaching strings to them.

They were speaking at a welcoming party in their honor jointly organized by the Federation of Chinese School Teachers and Trustees and other Chinese organizations at the Selangor Chinese Union Building auditorium today.

Describing their feelings after their release, they said it was like a dream.

Lim Fong Seng looked emotional when he told the gathering about his experience although he was physically tired. His eyes were flashing and he had sported a beard, but he appeared in high spirit.

He said he will not forget this sad experience in his life.

Recalling his arrest, Mr Lim said that although he felt bullied, he was determined to remain strong and alive in order to see how the world will fare.

Mr Lim is 62 years old today. When he was arrested late last year under the ISA provisions, he was suffering an illness.

On the conditions for regaining freedom, he said that the authorities should give him complete freedom without restrictions, otherwise it would not be fair.

He stressed that democracy and freedom are the most precious things to a person's life.

He said that democracy is precious. If a person commits a crime, he should be brought to an open trial.

He said: "I hope our democracy will reach such a level that the guilty should be tried and the innocent should not be deprived of their freedom."

Sim Mou Yu's spirit and health was relatively poor, but he spoke in a clear voice.

He said: "We were detained for 7 months and 5 days or more than 200 days. We passed days as if they were years, because of deep anxiety and worries."

He said that although he is now freed, yet the strings are still attached. So he feels he is only half-free. "I may be alive, but I can't do things by conscious choice, and I can't take an active part in community affairs," Mr Lim Fong Seng said.

Schools Federation, Individuals React to Restrictions on Released Detainees

Committee of Chinese School Supervisors

42050026C Kuala Lumpur NANYANG SIANG PAU in Chinese 5 Jun 88 p 3

[Excerpts]

While rejoicing over the release from detention of Messrs Lim Fong Seng and Sim Mou Yu, the United Committee of Chinese School Supervisors of Malaysia urged the government to lift the restrictions imposed on the released detainees, so the latter may continue rendering service to Chinese society.

The Committee expressed disappointment that two other Chinese education leaders, also arrested under the ISA late last year, have not been set free. They are Dr Tuang Pik King and Kwa Kia Soong. Several other unidentified persons are still in detention.

The acting chairman of the Federation of Chinese School Teachers, (Loke Ting Geok), urged the authorities to release the above-mentioned persons speedily.

The acting chairman of the Federation of Chinese School Trustees, Lim Geok Chan, said that although Messrs Lim and Sim have been freed from detention, their movement is still restricted.

He hopes that the authorities would be open-minded enough to lift all restrictions, so Chinese mass organizations may benefit from the released detainees' much-needed services and contributions.

Messrs Loke and Lim expressed their requests at a welcoming party in honor of Lim Fong Seng and Sim Mou Yu held at the Selangor Chinese Union Building.

(Loke Ting Geok) said that the School Federation would ask the authorities to exempt Messrs Lim and Sim from the restrictions, so they can resume their duties at the federation.

The Federation's legal adviser and (Tan Siong Seng), chairman of the Negeri Sembilan Federation of School Trustees, both said that Messrs Lim and Sim are subjected to six-point restrictions after their release, mainly affecting their movement. For instance, Mr Lim is restricted to living in the Kuala Lumpur-Petaling Jaya district, while Mr Sim in the central Malacca district; if they wish to move, they must get written permission from the respective police authorities; if they wish to move to another state, they also must get a written permit from the respective police inspectors; furthermore, they must report to the authorities on the 1st day of every month, between 8 am and 4 pm, by physical presence at the respective Police Bureau; if they get

permission to leave their present residence or to move to other states, all the above conditions still apply; they must remain at home between 10 pm and 6 am the next day; they are not allowed to give speeches in public meetings or places; except in a general election, they are not permitted to engage in political activities or assume any executive or advisory post in any mass organization or labor union.

DAP President

42050026C Kuala Lumpur NANYANG SIANG PAU in Chinese 5 Jun 88 p 8

Dr Chen Man Hin, MP, president of the Democratic Action Party [DAP], said that the police's conditional release of Dr Tan Seng Giaw (MP, Katong district) and restrictions of his residence within the Kuala Lumpur-Petaling Jay a sign of disrespect to Parliament.

He said Dr Tan Seng Giaw must remain at home between 10 pm and 6 am the next morning everyday, must report to the police regularly every month and must get police permission before he can move to another place.

Dr Chen said that these restrictions would obstruct Dr Tan's official business and duties in his capacity as member Parliament.

He said that although the police have set free 7 leaders of his party who had been detained under the ISA, 42 others persons are still in jail.

Dr Chen said that the government should release all arrested party leaders, because the political situation has returned to normal.

He said that the DAP will launch a movement aimed at the release of the other 42 persons.

He made the above remarks at a news conference held at the Seremban DAP Service Center today.

DAP Secretary General

42050026C Kuala Lumpur NANYANG SIANG PAU in Chinese 5 Jun 88 p 8

DAP Acting Secretary General Lee Lam Thye said today that although his party is happy over the release of DAP Vice President Tan Seng Giaw, Central Committee member V. David and five other leaders, his party will continue to strive for the release of the other detainees and for the lifting of restrictions against the most already set free.

Mr Lee stressed: "People should remember that at present 42 other public figures of various nationalities are still in detention at Kemunting without any formal charges. They include opposition leader Lim Kit Siang and Karpal Singh, P. Pato, Law Dack Kee and Lim

Guan Eng, all of whom are members of Parliament duly elected by the voters. Consequently the DAP signature-collecting movement will continue to be carried out nationwide.

"It is deplorable that in freeing Dr Tan Seng Giaw and V. David, the government imposed restrictions on them, limiting their freedom of movement.

"Both of them are elected members of Parliament who have solemnly pledged their dedication to the nation and their loyal service to the people. Consequently, restricting their movement is bound to hinder their parliamentary duties. Based on the principles of fair play and righteousness, the DAP resolutely appeals to the government to lift all restrictions against the released detainees forthwith and unconditionally set free all the other detainees." 9300

NANYANG SIANG PAU on Latest Release of ISA Detainees

42050026A Kuala Lumpur NANYANG SIANG PAU in Chinese 5 Jun 88 p 2

[Editorial: "Another Batch of Detainees Released by Government"]

[Text] The government last Friday released another batch of public figures who had been detained under the Internal Security Act [ISA]. This time around, those set free included two Chinese education leaders, Lim Fong Seng and Sim Mou Yu, and three politicians, namely, Dr Tan Seng Giaw and V. David (both of the Democratic Action Party) and Suhaimi Said (of PAS). The first four named above were relatively active and influential personages released after Dr Chandra Muzaffar, chairman ALIRAN.

The release of these seven personages on several restrictive conditions attached to it, with their basic political rights not yet fully recovered, is a welcome move nonetheless, not only to the persons concerned and their kith and kin, but also to the entire community and country. It is evident and easily seen that the authorities no longer regarded these people as a threat to national security and public order and, consequently, set them free before the expiration of their 2-year detention period.

To the detainees, their incarceration should mean an experience not easy to forget for the rest of their lifetime, and there is no doubt they have learned a lesson from it and that their future actions will be conditioned by it. After he was set free, Dr Tan Seng Giaw indicated that he will carry on with his political struggle in a nonviolent manner and in line with the spirit of the national constitution. His remark is a reflection of the fact that when the government initiated the crackdown, it was really for the purpose of safeguarding national security, but not a narrow political consideration to suppress the legal activities of opposition parties. Nor did the Internal

Security Department force the detainees to make a humiliating repentance through the television, indicating the government's maturity in handling problems involving human rights.

The greatest significance of the release of the latest batch of detainees is that it reflects the return to normalcy of the national security situation, and that several controversial issues are being resolved through normal channels. Economically, prices of our primary products are on the rise, foreign investment is pouring in large amounts, industrial and commercial activities are going on briskly, and there is hope that the gross national product will break through the 5 percent growth rate this year. While some dispute still exists concerning Malays' political solidarity, the "New UMNO" finds itself in the absolute leading position within the National Front and the government, and the national situation is quite stable. Ours is a nation ruled by law. The suspension of the Supreme Court Lord President Tun Salleh will be handled through the normal judicial channels, and no unlawful interpretation shall be tolerated.

It is unavoidable for any country to come across difficult problems in the fields of politics, the economy, culture and even law, and the more open viewpoints are, the more consolidated the democratic system is manifested in the country. Malaysia's difference from other nations is that the political realities of our multiracial structure unavoidably compel us to exercise self-control in expressing our opinions. We have already reached the stage where we should stop mistrusting or blaming one another, but must pool our energy to cherish and safeguard the existing interracial understanding and utilize and develop the existing contacts and consultation channels.

Last year the authorities arrested a total of 106 persons who have been released in batches continually in the past 6 months. Only 31 persons remain in custody under the provisions of the ISA. Prime Minister Datuk Sri Dr Mahathir yesterday indicated that the remainders would be set free when the time is ripe. The Internal Security Department regularly reviews their cases individually, and the actual decision to release them sooner or later will also depend on the condition of the detainees periodically and individually. In addition, it will do no harm for the authorities to consider the prevailing back-to-normal national situation as an additional factor for the release of the detainees. The government's big crack-down last year to forestall a possible outbreak of bloody incidents succeeded in removing the ultimate cause of trouble and saving the national crisis, and if it now can adopt a broadminded view in handling the detainees, this will show that the government's move was merely to prevent a disaster and to serve as a disciplinary action and not an amendment to its broadminded and open policies. Such government standpoint would coincide with the aspirations of the entire people.

The fact that the majority of the ISA detainees have been released signifies that the government has bowed to the wishes of the people and handled this incident in a most flexible manner. The people have learned a sad lesson through personal experience that there is a price for freedom and that they should adopt self-restraint and a sense of responsibility toward national security in carrying out their social activities and political struggle.

9300

Lee Kim Sai Stresses MCA, DAP Role Differences

42050025 Kuala Lumpur *NANYANG SIANG PAU* in Chinese 29 May 88 p 3

[Text] The central leadership of the Malaysian Chinese Association [MCA] henceforth will hold dialogues with various large and small Chinese civic organizations throughout the land with the view to obtaining sufficient and organized data concerning problems being faced by the Chinese community, so MCA's president and vice president can rectify their tasks on the basis of the information.

This remark was made by MCA Deputy President Lee Kim Sai at the party's fund-raising banquet held in Malacca last night.

Minister Lee Kim Sai said: "As long as we have adequate information, can grasp the realities and be reasonable, the Chinese community will rally around us, even though the MCA may be braving all possible difficulties."

He pointed out that if they knew of any deviation or irregularity which affected any company or individual, they should provide the MCA with evidence in black and white, so the party could fight in their behalf.

He said: "Not long ago, some people submitted complaints to us, but refused to come out to testify for fear of reprisals. Such a situation not only made it difficult for us to act, but also for the people concerned."

He expressed hope that everybody would face problems together, adding that "there is only one way out for the MCA and Chinese society to put things right in an effective manner, and that is, through wholehearted cooperation, with their hearts beating as one."

Minister Lee reminded the Chinese community of the fact that, as a member of the ruling coalition parties, the MCA is playing a role quite different from an opposition party's. An opposition party may use Parliament as a political arena, therefore some people have said that its representatives sitting in Parliament, especially those belonging to the Democratic Action party [DAP], give better performance than MCA's MPs.

Mr Lee agreed with this view, but he implored his audience to think well about the real meaning of mastering the fate of our country and people.

He pointed out that Parliament is merely a political forum. As a ruling party, the MCA does not make use of it, but rather of the cabinet, government administrative meetings and other government departments for formulating policies and rectifying irregularities. It is clear, therefore, that our role is different from the role played by opposition parties.

Minister Lee said that if we should ask Malays about their views on parliamentary members representing the Islamic Party, their answers would be the same as the Chinese. In other words, the Malays would say that opinions expressed by opposition Islamic Party members in Parliament are more enticing and populist than those expressed by members of the United Malays National Organization [UMNO].

However, he pointed out, the Malays realize that the real holders of decision powers are the prime minister and the deputy prime minister, cabinet ministers and administrative meetings. Therefore, although a mass meeting organized by the Islamic Party may attract 10,000 people, it serves no concrete purpose; on the other hand, if an opposition party mass meeting attracts a Chinese audience of 10,000, it is possible that this party may get 10,000 election votes.

Minister Lee pointed out that the Malays clearly define the different roles played by ruling and opposition parties, therefore the ruling parties have not suffered any setbacks so far.

He said that as long as Chinese society cannot differentiate the roles played by Parliament and the Cabinet respectively, we will never achieve a breakthrough in facing the problems confronting ethnic-Chinese people.

He indicated that opposition parties have gone through two or three stages in our country's political development, and it is regrettable that their support mostly came from the Chinese elements along with its dire consequences. In the past, as a consequence of opposition parties gaining breakthroughs, the Chinese community lost its important posts of finance minister and minister of trade and industry.

9300

DAP Official Criticizes Lee Kim Sai Statement
42050025B Kuala Lumpur *NANYANG SIANG PAU* in Chinese 31 May 88 p 8

[Text] Lee Lam Thye, acting secretary general of the Democratic Action Party [DAP], criticized MCA members of Parliament for being rendered speechless in affecting Chinese society, proof that the Malaysian Chinese Association [MCA] has violated the people's trust and interest.

Commenting on a remark made by MCA Deputy President Lee Kim Sai at a fund-raising banquet in Malacca to rescue MCA Headquarters building, Lee Lam Thye said in a statement that "the MCA will continue to utilize the forum within the government to solve Chinese problems, instead of playing politics in Parliament sessions."

Lee Kim Sai was quoted as saying that the MCA is unable to learn from the DAP in utilizing Parliament as a political forum, because participating in cabinet and state assembly meetings is a more effective way of solving problems.

Lee Lam Thye pointed out: "The DAP and the masses of the people are not surprised by Lee Kim Sai's talk, because his remark once again tested and verified our way of looking at things, that is, that the MCA and its representatives in Parliament are deliberately avoiding Parliament and shirking their responsibility as people's delegates."

"The MCA should understand that Parliament is a country's highest legislative institution and serves as the political forum where its people-elected members can express their views fearlessly and selflessly. If members of Parliament representing the MCA comprehend this point, they should behave like DAP MPs, expressing their views in an outspoken manner, instead of looking for excuses everywhere."

Lee Lam Thye said that MCA PMs should understand that if they do not speak up in behalf of Chinese interests in Parliament, they are really violating the interests of Chinese society.

9300

GERAKAN Chief Clarifies Proposed Alliance With PBS
42050025C Kuala Lumpur *NANYANG SIANG PAU* in Chinese 30 May 88 p 3

[Text] The president of the Malaysian People's Movement [GERAKAN], Dr Lim Keng Yaik, said that his party's proposed alliance with the Parti Bersatu Sabah (PBS) [United Party of Sabah] is by no means a plot aimed at challenging or confronting other parties, but a transformation coming from our conscience with the view to realizing the people's happiness.

He said that the alliance between the two parties is meant to open up the way for cooperation among our political parties, but not to intensify "political confrontation."

Datuk Dr Lim Keng Yaik was speaking at a dinner party marking GERAKAN's 20th anniversary held at Shangri-La Hotel in Kuala Lumpur tonight.

He said: "As a matter of fact, we view this alliance as a consolidation for the Barisan Nasional, and this action will eventually include all Barisan Nasional member parties. This alliance is not meant to be a monopoly shared between the GERAKAN and the PBS, but a common mission of the entire people who believe in the Malaysians' line and who adopt the Malaysian-style will."

He appealed to all GERAKAN members to give full play to the party's strength in all levels to render better and more effective service to the Malaysian people, instill the party's unity and the fair and reasonable Malaysian concept, as well as rebutting politicians who are trying to vilify the party's objectives by word or deed.

Dr Lim said: "We strongly believe that sincere negotiations are the best way to seek solutions to our present and future problems.

"As we celebrate our party's anniversary, it is time for us to review the past, enjoy the present and make a self-examination. We must also consolidate and plan for the future, and now is also the time for us to review our political objectives and redouble our efforts to realize our objectives."

He said that the GERAKAN was founded in 1968, with the objective of "democratic principles based on human rights," we strive to establish a Malaysian society based on the rule of law and to defend economic and social equality. Through the promotion of economic and cultural and development for all nationalities, we mold our national characteristics.

He added that through the Barisan Nasional, the GERAKAN is playing an important role within the federal government in developing the economy of the government and people, especially in the fields of primary industries and agriculture.

He said that in facing and handling various problems and issues, the GERAKAN abides by the Malaysians' concept and nonracial political line, and in this way the party can at least make some contribution in overcoming prejudice and irregularities.

Dr Lim said: "We also believe that what the GERAKAN is doing will generate major debates on the correctness or incorrectness of our party's political thinking and line in the interest of the struggle of the Malaysian people as a whole. And these debates are already going on in some places with possible far-reaching repercussions."

Dr Lim urged all members to redouble their efforts and encouraged all Malaysian people and our national economy to develop hand-in-hand, and continue to narrow the gap between the haves and the have-nots, to wipe out poverty irrespective of race and divide the national wealth equitably.

He said that as long as all GERAKAN members firmly believe and carry out their responsibilities, the party is bound to win more Malaysians as new members, especially the young people of the next generation, to join the ranks of the national struggle.

9300

TUDM Moves Toward Sophisticated Equipment *42130146a Kuala Lumpur UTUSAN MALAYSIA in Malay 2 Jun 88 p 3*

[By Aziz Ishak: "Malaysian Air Force Plans To Buy More Sophisticated Planes"]

[Text] When you mention the Malaysian Air Force (TUDM), many people are certain to think of current developments in the air force, especially the use of the most modern equipment like sophisticated fighter planes.

The need for fighters, particularly those with top combat capabilities, is indeed important in the light of present international conventional warfare developments.

This situation has forced a race among the developing countries as well as the big powers to get sophisticated planes.

Southeast Asian countries, such as Singapore, for example, have sensational air defense, when viewed from the aspect of modern equipment like radar, radar planes, and fighters. Thailand and Indonesia followed Singapore's steps in buying F-16 fighters. Singapore is also said to be in the process of getting the more sophisticated American-made F-18.

It appears that Malaysia also is now identifying several types of combat aircraft, although the government and the Ministry of Defense often say "financial conditions" do not yet permit purchase of new planes at this time.

Minister of Defense Tengku Ahmad Rithauddeen recently stated that the government in fact has a plan to buy more sophisticated fighter planes compatible with modern defense developments.

"We realize the TUDM needs to have new fighter planes or several types of more sophisticated equipment, and there are, in fact, plans to buy them. We will get them as quickly as possible when financial conditions permit," he explained.

He also feels that Malaysia has many options and should not focus on one type in buying planes.

Some observers think Malaysia has its eyes on several types of fighter planes, like the F-16 and F-18 from the United States, the Tornado and Harrier from Britain, and the Mirage 2000 from France.

It is hoped that the government will be able to give more sophisticated fighter planes to the TUDM in at least 1 year from now as the first step toward modernization before the year 2000.

Planes now on hand can still be used well, but how effective will they be in the next 5 or 10 years? For example, a French firm said in a study that the TUDM's F-5E fighters may not match the capabilities of fighter planes of neighboring countries over the next 5 years.

The same can be said about the A-4 Skyhawk fighter, whose capabilities are more "air-to-ground," whereas "air-to-air" is the important aspect and requires capable planes for use at night or in bad weather.

The American-made plane may need to be modified, as Singapore did to its Skyhawks. They are now called "Super Skyhawks" and have greater capabilities.

Besides fighter planes, the government also needs to provide the TUDM with other important equipment like radar, since a good radar system greatly helps the air defense of a country.

Air Force Commander Lieutenant General Datuk Mohamed Ngah Said admitted this fact, stating that the TUDM must be built up so that it can fulfill its responsibility effectively if war should break out.

"Although we hope there will not be war, we cannot have merely an optimistic attitude," he said last year on the occasion of the 29th anniversary of the TUDM. He said the decades ahead require that the TUDM be developed toward conventional capabilities that correspond to modern defense developments and ensure the TUDM will not be "left behind."

The air force commander emphasized, however, that, although the government has not yet bought more sophisticated fighters as several neighboring countries have done, the TUDM has capabilities equal to those of other countries to face threats from any quarter.

"We will use every existing source in the best possible way and will further update the organizational structure as steps toward modernization of the TUDM," he said in a recent interview.

Nevertheless, the government should study as hard as possible to find ways to equip the TUDM with more sophisticated planes and equipment. Courage, skill, and dedication alone are not enough in the present flow of world defense technology. In other words, we can no longer play around with the statement that "modern equipment is of no use if the quality of personnel and their level of professionalism is low."

Professional values are important, of course, but we must realize this decade is very different. TUDM officers and personnel now are increasingly dynamic and have higher and higher levels of professionalism.

Rapid developments in training, including overseas training, have had many positive effects on their capabilities, and their skills should be improved even more by the use of better equipment.

What is certain is that world developments and defense circumstances now clearly require a change in the TUDM to make it a dynamic, strong, and feared air force as the year 2000 approaches.

Apart from the matter of buying equipment, efforts toward modernization have been moving quickly for some time with emphasis on aspects of modern warfare training. In doing this, attention has been given to competitive and air exercises with other countries, with a focus on air warfare skills.

Lt Gen Datuk Mohamed Ngah said this training has improved the quality and morale of all units, especially the fighter squadrons. Because of the thorough training, Squadron 6, Squadron 9 (Skyhawks based at Kuantan), and Squadrons 11 and 12 (F-5E's at Butterworth) have become increasingly respected.

As far as facilities are concerned, several plans are now being implemented, and one of the results is the construction of the TUDM Base at Subang, which is the largest and most modern in the region.

The air force commander recently expressed his pleasure over the quality and discipline of officers and personnel that resulted from policies like the Introspection Policy and the Unit Coordination System.

On the occasion of the TUDM's 30th anniversary, several programs were held last night [1 June]. The theme of the celebration was "Recollections of the TUDM," or "Nostalgia Trip."

Consistent with this theme, it is hoped that the community, and especially TUDM officers and personnel, will become aware of the TUDM's growth and will use it as a strong encouragement to modernize the air force.

Briefly, the TUDM was formed on 1 June 1958 at Kuala Lumpur at the side of a British air force unit. It was equipped with one Twin Pioneer aircraft and was staffed by 12 people. The number of aircraft was soon increased in order to enable taking responsibility for protecting national airspace.

The initial advance in the expansion of the TUDM was the formation in December 1958 of the Flight Training School, first located at the Kuala Lumpur TUDM Station and equipped with Chipmunk aircraft.

On 25 October 1960, the British air base at Sungai Besi was taken over by the TUDM and the Ministry of Transport.

With an Alouette helicopter squadron, the TUDM steadily expanded its operational scope to the jungles.

The government then bought several type of planes, like the Caribou (1966), the Canadair CL-47, or Tebuan, fighter (1967), the Sikorsky, or Nuri, helicopter (1967), the F-5E (1975), and the Skyhawk (1985).

The purchases of these planes resulted in the formation of several squadrons, which have influenced the construction of new bases like the ones at Alor Setar, Butterworth, Kuantan, Labuan, and Keluang (helicopters).

6942

Air Force Retention Rate Improves

42130146b Kuala Lumpur *BERITA HARIAN* in Malay
3 Jun 88 p 12

[Text] Kuala Lumpur, Thursday [2 June]—The number of Malaysian Air Force (TUDM) personnel leaving the service before retirement dropped last year from 10 percent to 2 percent, said Air Force Commander Lieutenant General Datuk Seri Mohd Ngah Said.

He said personnel prefer to continue their careers in the TUDM, which is expanding quickly.

"In the past, many TUDM members left the service to enter the private sector. If you look, no less than 100 flight personnel and pilots of the Malaysian Airline System are former members of the TUDM.

"The 'gloomy' situation in the private sector, which no longer has new job openings, is probably the main reason fewer TUDM members are leaving the service.

"Besides that, the TUDM is now expanding quickly, making it a pleasant place to work," he told reporters after inaugurating the Malaysian Air Force Cadet Officers School (SPK TUDM) at the Kinrara TUDM Air Technology Institute here today.

Activities

With regard to the capabilities of the Air Force, Datuk Seri Mohd Ngah said the TUDM is one of the best in the region.

"This is because of individual personnel capabilities, administration, and efficient management of equipment.

"The TUDM is also visited each year by senior officers of the United States and Australian Air Forces. They praise the abilities of TUDM members and the management of their weaponry," he said.

Datuk Seri Mohd Ngah said the TUDM always ensures the quality of its officers and their training centers.

For that reason, the number of those who graduate as pilots from the Alor Setar TUDM Air Technology Institute is limited, he said.

Most students fail in tests of endurance and in flight activities. "They are inadequately exposed to the world of flying and machines while growing up," he said.

Therefore, he said, the present educational system should expose children to developments in the world around them.

6942

Defense Minister Warns Spending Cuts May Affect Joint Projects With Australia

42000400 Wellington *THE EVENING POST* in English
2 Jun 88 p 1

[Article by Roger Foley: "Defence Purse Squeeze Tipped"]

[Text] Defence Minister Bob Tizard has warned Australia that New Zealand may not be able to afford some of the defence purchases now planned, such as the four Anzac frigates.

He has also indicated there will be shifts of emphasis... to give full weight to a new approach in the post-Anzuz environment.

The messages are contained in a carefully-worded article which appeared in a special defence supplement in the Australian newspaper under the Minister's name on 13 May.

The article has not been circulated in New Zealand.

Mr Tizard said that the deterrent value of New Zealand's "modest" military capability was not "undisputed" amongst New Zealanders and difficult to quantify.

He noted there was pressure in New Zealand from individuals and groups who favoured decreased military expenditure and that in a situation where hospital waiting lists remained distressingly long and military threats remained distant, the question had been asked "are we not over-insured against invasion and under-insured against illness?"

"Others ask why the government should spend only a quarter as much on the policy as is spent on the armed forces. Violence on our streets, they point out, poses a substantially greater threat to individual New Zealanders' security than any outside agency may."

Later in the article Mr Tizard said it was necessary to reassess the weight of military threats to New Zealand compared with other man-made or natural threats "in the context of developing a comprehensive security policy."

"Reassessment will undoubtedly have implications, not only for the size and shape of our armed forces, and their training and exercise programmes in the future, but also for their equipment procurement plans."

Mr Tizard said of much greater concern to New Zealanders day by day than the threat of war were sporadic violence in public places, drug trafficking and addiction and unemployment with its attendant ills.

"More remote, but perhaps more likely threats to New Zealand's well-being than invasion, are the prospects of having to cope with the after effects of nuclear war in the northern hemisphere, depletion of the ozone layer, or an epidemic of some sort.

"New Zealand is not particularly well prepared to meet some of these larger non-military threats to its security and well-being and the distribution of resources to put in place and structures to help us address and contain these threats requires further examination.

"Time, fortunately, is on our side. There is much to be said for taking advantage of the currently favourable strategic environment and holding back on new commitments of resources until overall priorities in the broader sphere of comprehensive security have been established."

Though Mr Tizard did not mention any specific defence items, it is understood there is real concern in defence and Treasury circles that the proposed four frigate purchase from Australia at about \$2 billion will take up 60 percent of the defence capital expenditure programme for the next 15 years.

/12232

Democracies Conference Boosts Manila Image
42000399b Manila THE MANILA CHRONICLE in English 7 Jun 88 pp 1, 8

[Article by Sheila Coronel: "Meet Boosts Image of Philippines"]

[Text] The Conference of Newly Restored Democracies which ended yesterday gives the Aquino Government a much-needed morale boost at a time when it is grappling with thorny domestic problems.

Foreign Secretary Raul Manglapus told reporters yesterday that for the Philippines, a major achievement of the meeting is "the realization that the problems we're facing are not unique and therefore we should strengthen our own self confidence."

A Western diplomat who observed the proceedings agreed. "The conference makes the Philippines feel good about itself," the diplomat said.

The idea of a forum where new democracies could exchange views and experiences was originally conceived by Manglapus.

The idea was apparently well-received. The conference ended yesterday with all the delegates agreeing to meet again for similar forum in Lima, Peru next year.

Though it had few concrete accomplishments, the conference bolsters the Philippines' standing in a largely Third World forum of a kind where, specially during the Marcos regime, it was never really accepted.

"The Philippines can now feel more integrated with the family of underdeveloped and developed countries," said Brazilian Minister of Culture Celso Furtado, a respected economist who headed his country's delegation.

Furtado described the conference as a "step forward for the Philippines."

For Nicaraguan delegate Jorge Huezo, the meeting resulted in a "recognition by the international community of the efforts the Philippines has been doing for the strengthening of its democracy."

Huezo, the Nicaraguan ambassador to Tokyo, will present his credentials to President Aquino as his country's envoy to Manila on 22 June.

The participation of Nicaragua in the Conference marks the first official visit by Nicaraguan officials to the Philippines.

In a way, Nicaraguan recognition of Philippine democracy undercuts Leftist critics of the Aquino Government who look up to Nicaragua as a model of democratization.

At the same time, Philippines officials were able to express in the conference their concern about foreign organizations and parties supporting Leftist insurgents.

During the conference, the Greek representative vehemently denied that the ruling Pan-Hellenic Socialist Party of Greece is supporting communist rebels here.

Nicaraguan Social Security and Social Services Minister Reynaldo Antonio Tefel also said that the Sandinistas do not support or intend to support Philippine rebels.

Apart from enlisting sympathy for its fight against the insurgency, the Philippines, by hosting the conference also boosted its democratic credentials at a time when these are being questioned by critics across the length of the political spectrum.

As Manglapus told the delegates in his closing speech, "We hope you remember Manila as a city where democracy, already having received the sacrament of baptism,... can receive the other sacrament of confirmation of democracy as a restored international reality."

But in a strongly worded statement, the clandestine National Democratic Front (NDF) hit what it called the Aquino Government's "liberal-democratic pretensions."

"By hosting the conference, the Aquino Government hopes to mask its subservience to U.S. imperialism and gain recognition from the international community as a sovereign nation," the NDF said.

/12232

Interview With Labor Secretary on Political Stability, Relations With KMU
42000378c Quezon City NATIONAL MIDWEEK in English 1 Jun 88 pp 16-18

[Article by Jose F. Lacaba] [Passages in italics and boldface as published]

[Text] *Labor Secretary Franklin M. Drilon and his predecessor, Augusto "Bobby" Sanchez, are a study in contrast.*

The controversial Sanchez, a management lawyer turned human rights advocate, had the stance of a kanto boy, the style of a street parliamentarian. As labor minister, he was outspoken to a fault, lashing out with equal ferocity at multinationals and at trade unions that had kowtowed to the Marcos dictatorship. His outspokenness—coupled with the perception that he was too partisan in favor of the working class, particularly its more militant sections—proved to be his undoing.

The 42-year old Drilon, on the other hand, is the non-confrontational sort. His turf is not the parliament of the streets but the conference room, the negotiating table. He speaks slowly, thoughtfully, weighing every word and

phrase with a diplomat's discretion, trying as much as possible to avoid controversy. Despite his heft (he stands at 5'9" and weighs in at about 200 pounds), he can seem almost inconspicuous in a crowd. It's a quality that stands him in good stead in the new Aquino cabinet, which is a committee of efficient administrators and self-effacing technocrats, unlike the original cabinet, which was a constellation of contentious superstars.

A bar topnotcher who placed third in the 1969 exams, Drilon started his legal career as senior associate at the Angara, Concepcion, Regala and Cruz (ACCRA) law office, which has a reputation as a specialist in corporate law. He was still with the firm and had just been recently elected its managing partner when he was tapped for government service in September of 1986, as Sanchez's deputy minister for industrial relations.

Drilon's biodata stresses his involvement in labor affairs: in 1975 he organized and headed the ACCRA labor group; in the 1979 and 1984 bar exams he was examiner on labor and social legislation; and for five years he was lecturer at the University of the Philippines Law Central Annual Institute on Labor Laws, as well as special lecturer at the UP Workers' Institute on Labor Laws. Notwithstanding such credentials, he came to his position as secretary of labor and employment with a handicap: he was perceived to be management's man.

Drilon believes that this perception and the misgivings that it caused have been largely dispelled by his record in the short time that he has been in office. His management background, he says, "is no longer an issue." He is confident he has succeeded in keeping the conflicting interests of workers and employers from breaking out into the kind of massive, open antagonisms that could disturb the political stability so highly prized by the Aquino administration. How long he can maintain industrial peace, in the face of rising prices and stagnant wage levels, is anybody's guess. Drilon himself is painfully aware that his job is "a very difficult balancing act." Still: "I would like to think that I'm getting used to it, and have learned slowly, the art of tightrope walking."

The following interview was conducted at the labor secretary's spacious Intramuros office a few days before May Day.

How does the government view the situation in the labor sector right now?

In general, I think the work that we did in 1987 is beginning to bear fruit. The 1986-87 period was admittedly a very difficult year for the government, but on the basis of the first quarter of 1988, we're beginning to see more stability in our labor relations situation. Why do I say this? The first quarter report on the strikes and lockouts showed that there was a dramatic reduction in the number of strikes by 65 percent. We had 191 new strikes declared for the period 1 January to 30 April of

1987, as against 68 strikes for the same period in 1988. Correspondingly, the number of workers involved, and the productive work days lost due to strikes went down by 40 percent this year.

What about employment figures?

For the last quarter of 1987, the unemployment rate is placed at a little over 9 percent, which is an improvement over the same period in 1986. And we deployed 450,000 overseas workers last year, which is an increase of 18 percent over a similar period in 1986.

According to figures released by the DOLE itself, as of October 1987, there are 2.1 million unemployed.

Yes, that's correct.

How does this compare with previous figures?

The National Census Office has come out with a figure of about 2.5 million before that. But you must remember that, apart from the fact that we have inherited a high unemployment figure, there are also about 700,000 new entrants to the workforce every year. We must provide jobs for these people. You must appreciate that even a million jobs created every year will just create a small dent in the unemployment figure—because of the number of new entrants to the workforce every year. And this is a population problem. The birth rate compounds our problem.

You've mentioned stability. You're referring to economic stability, or to political stability also?

I would say that political stability in our country—the fact that we are able to institutionalize our democratic structures or democratic institutions—has a major effect on the labor situation. And a major contributor was the local elections, when the local executives were elected. There is more involvement on the part of the civilian local governments in assisting us in achieving stability on the industrial scene.

It seems to me that part of the reason for the lower figures on strikes is that, in October, the President issued an order to dismantle illegal pickets.

Firstly, let us make it clear that the 20 October speech did nothing more than restate the government's desire for the rule of law. It did not prohibit unions from going on strike. It is a contributing factor, but it is not the only factor, to my mind, that brought about the relative stability we are now seeing. For one, there is now greater awareness on the part of employers to address the grievances of their workers. And I think our efforts to make employers more conscious of their social obligations is beginning to bear fruit.

Number two, on the part off the unions, they have also realized that constant industrial dispute, and the unabated use of their weapon of strike, do not necessarily bring them better benefits. Dialogue, communication and negotiations have been shown to be an effective medium through which benefits for the worker can be achieved.

Number three, I think public opinion has also played an important role. The surveys show that the public was not in favor of constant industrial strife, as everyone was concerned with improving the economy, providing more jobs. And these factors taken together have contributed a lot to what we have now.

More importantly, we have also been able to restructure that Department of Labor so that I feel that we can now quickly respond to disputes. Our dispute-settlement machinery has improved a lot. We laid the foundations last year, and now we have a very effective national conciliation mediation board where the conciliators do not just wait in their offices for problems to come, but go out into the field and try to conciliate disputes right at the picketlines. This is an important development insofar as we are concerned. The structural reforms we have made in the department, I feel, were necessary for both workers and employers to put back their confidence in the government's ability to resolve disputes.

What was the main thrust in these structural reforms?

When I came to the department, I noticed that the conciliation arm was very weak. It was a small unit in the Bureau of Labor Relations. So what we did was to put up a board—the National Conciliation-Mediation Board—which was an advisory board tripartite in composition, which do nothing except conciliate disputes. We recruited fresh blood. We gave them better pay. And we placed squarely on their shoulders the responsibility for conciliating disputes.

Are these conciliators different from the arbitrators you had before?

Yes. You see, arbitration is equivalent to adjudication. In other words, a problem is resolved through a decision—that's what arbitration is, okay? On the other hand, the National Conciliation-Mediation Board's principal function is to conciliate and mediate and see how a dispute can be settled without going to litigation. In other words, it's preventive rather than curative.

How does this work in the concrete? Suppose I am a conciliator—

In concrete terms, before a union goes on strike, it is supposed to file a notice with us, okay? A 15- or 30-day notice, as the case may be. Before, the conciliators would just shrug their shoulders and take the notice of strike as any other work. Now, the moment a strike notice is filed, you know, in 24 hours, the parties are called. We go to the extent of going to the factories to see what the real

problem is. We set these conciliation conferences or hearings of consecutive days until we can resolve the dispute, until we can prevent a strike or a lockout from taking place.

This method has been acceptable to both employers and workers?

Yes, it has been acceptable to both employers and workers.

Including the more radical workers?

Including the more radical workers, yes.

I understand that Batas Pambansa 130 and 227, which the President promised to abolish in her 1986 May Day speech have not been repealed as of now.

Let me make it clear that all the promises that President made during the 1 May policy speech were all carried out under Executive Order 111. Not a single promise was left out. All the promises of 1 May were transformed into law. There has been a lot of discussion about BP 130 and BP 227, there were a number of proposals agreed upon during the Tripartite Review Committee work which we did from 31 December up to February 1988. There were a number of agreements arrived at by both labor and management insofar as amendments in the Labor Code, in labor relations, Book 5, are concerned, and they are all contained in the report to the President which we submitted two or three weeks ago and which will be certified to Congress, as an urgent administration measure.

Let's go into specifics. What were promised that have been implemented?

The reduction of the strike vote from two-thirds to 50 percent plus one. The 15-day strike notice, when it involves the dismissal of union officers, is no longer applicable. The rights of security guards to unionize, the limitation of apprenticeship to six months only in highly technical industries—it's all there.

There's another demand for an increase in minimum wage. What's your position on this?

I have said that it is not appropriate at this time to have another increase. Number one, we are still trying to fully implement RA 6640. There are some sectors that have not implemented it, like the education sector. Number two, you know, under the medium-term development plan of the government, the principle is minimum intervention in labor-management relations in wage setting. Constant intervention by government insofar as wage setting is concerned can have adverse effects on the growth of collective bargaining in this country. Number three, while big companies may be able to absorb another round in increases, the small and medium Filipino-owned companies will not be able to do so. And we

must remember that in our economy now, the backbone is the small-and medium-scale companies. These are the enterprises that will be affected adversely, that will not be able to bear the brunt of a P25 increase demanded by unions. So for these reasons, we have taken the position that it is not right at this point to decree another increase.

On the other hand, you have other government agencies like NEDA [National Economic Development Authority] coming out with statistics that a typical Filipino family with four children would need at least P160 a day to live above the poverty line—

You must make a distinction between wage and income. In other words, we can try to increase the income of a family by means other than simple wage adjustments. There are productivity-sharing schemes that can be adopted, like projects that can be enhanced and supported by companies and the government. Various means, including the examination of the price of gasoline, price of oil, of fuel. In other words, the income level should at least be what you're saying, P160—but certainly we should look at sources of income other than mandated wage adjustments.

But are these other sources of income available locally, or do we have to go on doing what we're doing now, exporting labor to provide additional income?

The government is reexamining the livelihood programs. The President has asked the labor and management sector to study how to increase family income.

What have been your relations lately with the unions?

I have an open communication lines with the unions of different political persuasions. They communicate with me. We have discussions on labor and social issues. Of course, it's very difficult to maintain a balance. I see to it that I am not seen as favoring one over the other.

Do you think that was a problem of your predecessor—being perceived as favoring one group over the other?

Possibly. He may not have intended it, but he was perceived to be favoring one group.

So you're keeping your lines of communication with the KMU open?

Yes, of course. With Crispin Beltran, with Butch Pena.

The military has always accused the KMU of having Communist links, being a Red front.

That's their worry, not mine. (*Laughs.*) I try to maintain industrial peace; the security of the country is their concern.

Does the KMU bring up these problems with you—the problems with military?

Ah, yes, they bring these up with me, I make representations on their behalf.

And how have the military authorities taken your representations?

They have been very receptive to these complaints, and they're conducting their own investigations.

What other problems have you encountered as labor secretary?

My work is a hot seat, and on a day-to-day basis I must walk on a tightrope. I must not be perceived by the clientele of the department as favoring either the workers or the employers. And on the workers' side, I must not be perceived as favoring any group. So this is a very difficult balancing act that I've been doing for the past 20 months that I've been in government. But I would like to think that I'm getting used to it, and have learned, slowly, the art of tightrope walking.

What do you think will happen in the coming months? Do you think the stability will last?

Let's put it this way. I don't have a crystal ball, but we would continue to do our best here and continue to be as objective as we can. We have a mandate to protect the workers' rights and we continue to protect workers' rights. But we will not allow chaos to prevail.

/12913

Editorial Blames Aquino for Cabinet Violations of Multiple-Positions Ruling

'Serious Impact on Morality' Stressed
42000390 Quezon City MALAYA in English
10 Jun 88 p 4

[Editorial: "Patently Immoral and Unjust"]

[Text] The practice of Cabinet men holding multiple positions is nothing new. It was an approach nurtured and perfected by the Marcos administration for nearly two decades of dictatorial rule partly to entice highly qualified and competent professionals to work for him and to serve as some sort of an incentive to buy their unwavering loyalty.

President Aquino and her key advisers must be quite aware of the whole thing and its very serious impact on morality in the public service. In fact, the President issued Executive Order 284 during her early months in office prescribing, among other things, that Cabinet

members and their deputies cannot hold more than two extra jobs, and, thereafter, laid down the policy that they cannot receive more than P10,000 a month from each of them.

But as shown by the disclosures of former Commission on Audit chairman, now Sen Teofisto Guingona, these presidential directives are being grossly violated by the majority, if not all, of the members of Mrs Aquino's official family and other officials close to the powers-that-be.

Although nobody can impeach the reliability of Sen Guingona's figures, it is quite possible that what he has disclosed about the hidden income of some Cabinet men is only the tip of the iceberg.

That is, if we include the various committees and ad hoc bodies from which many a bureaucrat derives extra income in the form of transportation and representation allowances and similar such gimmicks.

In fact it is about time those in the know, like the Commission on Audit, expose the myth peddled by Press Secretary Benigno, that some harassed and overworked Cabinet men get only a minuscule part of what their counterparts in the private sector are getting.

Indeed, if we computed every peso of extra income well-placed Cabinet men and bureaucrats are getting, these people's actual income can even exceed those being received by top executives of Makati's financial district.

In a bureaucracy where more than 60 percent of some 1.4 million government employees—teachers, soldiers, clerks and street sweepers—get wages that consign them and their families below the poverty line, it is patently immoral and unjust for a chosen few to enjoy such a big chunk from the taxpayers' money.

Aquino Approves 'Unorthodox' Practice
42000390 *Quezon City MALAYA in English*
12 Jun 88 p 5

[Commentary in "Malacanang Watch" by Joel Paredes: "Big Mac's the Caretaker"]

[Excerpt] Better believe it when Press Secretary Teodoro Benigno says the President wants to run the government in an "unorthodox" way.

Without mincing words, Mrs Aquino asserted that her Cabinet men must continue holding multiple positions, despite her executive order limiting them to only two other positions outside their main office.

She did not even take the pains of providing a good excuse for this new policy other than saying that the Cabinet men needed the extra income.

/9604

Cacho-Olivares Criticizes President
42000403a *Manila BUSINESS WORLD in English*
10 Jun 88 p 4

[Article by Ninez Cacho-Olivares in the "My Cup of Tea" column: "Cracks in the Mirror"]

[Text] Certain Cabinet secretaries and their assistants were accused recently by a legislator of violating the ban on multiple jobs and extra compensation.

Official reactions to these charges make an interesting study. Mrs Aquino, without as much as ordering an investigation in the matter, absolved her official family of any culpability, claiming that no Cabinet official has violated the ban. She, however, acknowledged the need to rationalize the issue.

Her Press Secretary, who had earlier admitted that the ban was violated by some Cabinet officials, defends the emoluments received by him and his colleagues, saying that these remunerations must be comparable with the income they used to receive when they were still in the private sector.

"You want to get them?" asks he. "You cannot get them at P17,000 a month. Impossible!" To hear Benigno say it, these patriotic Cabinet officials, described as "good guys" and "giants," have, in the holy name of public service, offered themselves at great "sacrifice."

Budget Secretary Guillermo Carague was most revealing when he held the view that Cabinet people do not owe the people any explanation.

Doing arrogance justice, he was quoted as having said that it is Congress, not the Cabinet, that owes the people an explanation. "Congressmen and senators," said he, "are getting allowances of P70,000 a month."

None of these pronouncements and justifications hold water. But it is strange that one who calls for transparency in government, absolves members of her official family, without as much as making public the number of positions (ex-officio and otherwise) held by her secretaries and their assistants and the emoluments received by them.

The "transparent Aquino Administration" will not even order a public investigation into the matter. She appears to believe that it is sufficient for the nation to know that she has absolved her officials of any and all culpability.

The Palace argues that the Constitution allows appointive officials to hold any other office or employment in government, subdivision or any instrumentality thereof when the primary functions of their position call for it. The constitutional ban is clear, but Malacanang justifies its position by citing Article 9-B, Section 7 of the Constitution, which speaks of Civil Service and of the primary functions of other appointive officials.

Strangely, the Palace fails to focus on Section 8, which states that no elective or appointive public officer "shall receive additional, double or indirect compensations unless specifically authorized by law."

Palace people speak of primary functions of the office, but neither Mrs Aquino nor her officials bothered to explain to the public what business a press undersecretary has sitting in a board of a gambling corporation which gives its directors thousands of pesos a month.

Nor have they explained what business a Press Secretary has holding a position in a five-star hotel. Or an Executive Secretary, sitting as a chairman of the board of Philippine Air Lines. There are many others who occupy posts that have absolutely nothing to do with their departments' functions.

Neither have Mrs Aquino nor her officials confirmed or denied the charges that some of her officials have received additional, double or indirect but illegal compensation. Nor have they even bothered to let the public know how much each official member of her family gets as compensation for holding multiple posts.

Earlier, it was reported that Mrs Aquino directed members of her Cabinet to make a full disclosure of their incomes, particularly those derived from multiple positions in state corporations. It is presumed that the Cabinet officials heeded the presidential directive. It is on record that the matter was discussed in last Wednesday's cabinet meeting.

One wonders then: if none of her officials violated the constitutional ban and the Executive Order, which is questionable in itself, the best way for Mrs Aquino to have placed the matter to rest was to disclose to the public the list of positions and the emoluments received by her official family. The public will then know whether these positions are (1) ex-officio in nature and (2) whether the proviso on additional, double or indirect compensation has in fact been violated by Cabinet and sub-Cabinet members and (3) whether or not they hold illegal multiple positions. It is not for Mrs Aquino to absolve her officials by simply saying that no law has been violated.

Contrary to what Mr Carague says, Mrs Aquino and her Cabinet owe the people an explanation. One can no longer hide the cracks in the executive mirror.

/9274

Bernas Urges President Use Clout 'More Often'
42000399a Manila THE MANILA CHRONICLE in
English 4 Jun 88 p 4

[Article by Joaquin G. Bernas, S.J.: "Sounding Board—Public Wants To See Cory Use Her Clout More Often"]

[Excerpt] The long marathon for the confirmation of Rainerio Reyes as secretary of Transportation and Communications has finally ended. I am sure that the smile

you see on Mr Reyes' face these days is not just pasted on. The dental radiance is for real. But what finally swung the vote in his favor?

I do not think that the outcome was a result of a Congressional conversion resulting in a warming up towards the person of Mr Reyes. Deep seated animosities, whether rational or irrational, do not die that easily or that speedily. To my mind, what swung the vote was presidential clout.

Euphemistically you might say that the Reyes opponents finally and generously and altruistically decided to give the president their support. But euphemism cannot explain all. I would guess that some "converts" simply did not yet consider themselves tall enough to stand up to the powers of the presidency.

That too, is the analysis made by the two opposition members who decided to abstain. But do not expect that to be the popular rationalization.

There is, however, a lesson to be drawn. It is the simple fact that the president has clout. Translated into more positive terms, that means that there is there the potential for a strong leadership, for a leadership that sets directions and leads, and not just merely acts.

One must distinguish between the relationship of the president to the judiciary or to the constitutional commissions or to the Ombudsman. To them her relationship should be purely legal and non-political. It would be tantamount to treason for any of these non-political entities to allow the president to exert extra-legal influences on them and thereby subvert their independence.

The president's posture towards these independent bodies therefore must be one of respectful distance. Such posture is dictated by the Constitution.

The relationship of the president to Congress, however, is more than just legal. It is preeminently political. In the governmental dynamics, the two political departments are expected to relate to each other politically, in a game of tug and pull called political checks, balances, and persuasion.

Without being illegal or unethical, and whatever others might say about the weakening of the presidency under the 1987 Constitution, she still has, within the broad range of "executive power," a whole arsenal of instruments of persuasion.

She obviously did put them to use in the confirmation of Secretary Reyes. I expect that she will put them to use whenever she feels strongly enough about an issue. I guess the nation wants her to feel strongly enough to expose the fire in her belly and to show her sentiments about other and perhaps more fundamental issues.

In the matter of nuclear arms, for instance, it will not do for her to be coy about the subject and say that she will not interfere with the work of Congress. Nuclear policy, like the military bases policy, is a matter of international policy very much within the ambit of executive responsibility. She must choose her side and, if need be, defend it and fiercely fight for it.

Agrarian land reform is another area of crucial presidential concern. The issue is central to the Government's commitment to social justice. Almost a year ago she passed off to Congress the responsibility for dealing with the most ticklish aspects of land reform: compensation, priorities, retention limit. Congress has not tied itself up in knots trying to grapple with these issues. Meanwhile, her silence on the subject is deafening.

She cannot now be merely a disinterested spectator. The nation hankers for her leadership in favor of land reform. What are her convictions about the subject? Non-interference means copping out. I hope she "interferes" at home before she leaves to win laurels in faraway Europe.

/12232

Congressional Majority Favors Countertrade With Socialist Nations
42000383a Manila *PHILIPPINE DAILY INQUIRER*
in English 8 Jun 88 p 3

[Article by Ed Peperna]

[Text] Two-thirds of the congressmen pushed for a sustained countertrade with socialist states to prevent depletion of the country's foreign exchange reserve arising from huge imports.

Countertrade, a modern version of barter trade, accounts for one-third of total world trade.

The call for countertrade, initiated by Rep Jose de Venecia (Lakas, Pangasinan) and endorsed by more than 10 House committee chairmen, came on the heels of a report that the gross international reserves would not be able to sustain the country's imports by the end of the year.

De Venecia's scheme is contained in House Bill No 12062 which outlines a number of strategies to enable the Philippines to handle its foreign debt.

One of these proposed strategies is the conversion of a portion of foreign debt into equity in government-owned firms, a recommendation already approved by the House of Representatives.

/9604

World Bank Criticizes Central Bank for 'Bad Faith' in Liquidity Cases

HK1406130388 Manila *MANILA BULLETIN* in English 13 Jun 88 p 25

[Text] The World Bank [WB] has deplored the lack of clear guidelines and the inconsistent application by the Central Bank [CB] of procedures in the treatment of distressed banks.

In an assessment report on the Philippine financial system, the World Bank said that this inconsistency and lack of clear rules have led to allegation of "CB arbitrariness and bad faith."

"At present, there are no clear guidelines governing CB emergency advances to banks facing liquidity crises. Procedures appear to be ad hoc in nature and lacking consistent application leading to allegations of CB arbitrariness and bad faith," WB said.

The report was prepared by a World Bank mission which conducted an extensive study of the financial system last year. Its contents are now the subject of ongoing discussions between monetary authorities led by Central Bank Governor Jose B. Fernandez Jr and a WB mission.

The most stinging accusation of "bad faith" has been hurled against CB by Banco Filipino, which claimed that it was forcibly closed by Fernandez with the use of military forces based on "fabricated and altered reports."

In its report, the World Bank stressed the need to formulate clear guidelines to govern emergency loans to banks in distress. And to prevent accusations of bad faith and arbitrariness, the WB mission, emphasized that the rules should be made public "to ensure consistency in application and predictability for affected banks."

There should at first be a general guideline on the maximum amount that CB would advance to a bank in distress, WB said. It suggested that the maximum amount be equivalent to 50 percent of the sum of the bank's total deposits and deposit substitutes.

WB recommended that the emergency advance be released in two tranches, with the first to be disbursed "shortly after the bank requests the assistance."

The decision to release the second tranche, if needed, the World Bank suggested, "should take into account progress on the implementation of selected measures for performance improvement already agreed."

On the criteria for declaring a bank insolvent, the World Bank noted that the current rules "may not be flexible enough to permit timely action by the Monetary Board under all circumstances."

The World Bank, in its report, also expressed disappointment over existing reporting rules required by CB from the banks.

For instance, it said, the Central Banks has not given banks clear rules on loans loss reserves and CB staff had to rely on their own assessment of the quality of a bank's assets in judging the adequacy of the provision.

"Underlying principles for asset valuation and loan provisions including definitions should be standardized and required to be applied uniformly by all banks," the WB report recommended.

Apparently in disgust over the performance of the Central Bank in the treatment of ailing banks, the report recommended that CB be stripped of its powers to be the receiver of troubled banks.

It added: "Currently, CB staff act as conservators, receivers and liquidators of ailing banks. This practice gives rise to questions of conflict of interest and places of heavy burden on CB that adversely affects its normal supervisory and regulatory roles."

**Radicals Edged Out of Official ILO Meetings,
Stage Overseas Protests**
42000383b Manila *PHILIPPINE DAILY INQUIRER*
in English 14 Jun 88 p 4

[Editorial: "Let's Not Export Domestic Problems"]

[Text] We are disturbed by reports that officials of the leftwing Kilusang Mayo Uno are busy bad-mouthing the Philippine Government before a world labor forum in Geneva which President Aquino is scheduled to address today.

The KMU officials, who have been relegated to being mere "visitors" in the list prepared by the International Labor Organization, are reportedly campaigning to regain their delegate status in the ILO conference presumably to gain a wider and more respectable audience. As "visitors," the KMU group headed by Crispin Beltran will not be allowed to attend ILO committee meetings and will not be recognized as representing a segment of Philippine labor.

Reports have it that the KMU aims to picture the Philippine Government as a gross violator of human rights and as one operating with an anti-labor bias. As some observers have noted, the KMU may just embarrass President Aquino who, incidentally, did not include any KMU member in the Philippine delegation this year. Beltran reportedly said he seeks to paint for the conference the true labor picture in his country, as if President Aquino cannot be expected to be honest enough to give the world forum the true labor situation in her country.

The airing of legitimate grievances is a basic right of any individual or group. The KMU is within its rights to speak up in representation of its constituents. In the present situation, however, we disagree with KMU officials' flying all the way to Geneva to use the ILO conference as forum for ventilating domestic issues, in the process embarrassing Cory Aquino who is addressing the ILO as president of the Philippines and the lone voice of the nation in foreign affairs. This messy business of "washing dirty linen" in the world's labor capital to add to the pressure on the government is deplorable.

Back home, we have precisely seen to the return of "democratic space" for aggrieved parties, including labor, precluding any need for running to a foreign forum to make accusations which could be more expeditiously addressed by the concerned agencies which are in the Philippines and not in Geneva.

We suggest that the KMU and the workers it represents reconsider their reported action plan in Geneva. Let us not entertain the world with our internal squabbles. True to our democratic setup, we have working mechanisms for the airing and resolving of legitimate grievances. Let us resolve domestic problems "within the family."

/9604

**Noted Columnist Cites Contradictions to ILO
Aquino Rights Speech**
42000403c Manila *BUSINESS WORLD* in English
16 Jun 88 p 4

[Article by Ninez Cacho-Olivares in the "My Cup of Tea" column: "What She Failed To Say"]

[Text] As expected, Mrs Aquino defended her administration against charges of human rights violations, using as her forum the 75th session of the International Labor Organization.

Enumerating the steps taken to up-hold human rights in the country, Mrs Aquino informed the assembly that she had released all political prisoners, "giving special attention to the immediate release of the chief Communist Party ideologue, Jose Maria Sison, against the strong objections of a military faction"; that she had attempted to negotiate a peace pact with the insurgents but failed; that she had made certain the military response "would be conducted, at least on our side, in a manner consistent with the values we are defending against the insurgency" and that a Constitution with a pro-people framework was drafted and ratified overwhelmingly by the Filipino people. Mrs Aquino also stressed on the new Constitution's declaration of principles and state policies.

What she failed to inform the ILO assembly, however, is the fact that while some political prisoners were ordered released by her upon her assumption to office, there are today new political prisoners, one of whom was captured by the military faction she spoke of when the peace talks

were ongoing. She also omitted the information that "her soldiers" are ready to arrest Sison the moment he returns home, simply on the strength of their suspicion that he has been elected CPP chairman in absentia. Neither did she tell the delegates that her "soldiers," who violated the constitutional rights of some 20 suspected communist rebels have not, to this day, been charged in court.

Mrs Aquino also failed to tell the ILO delegates that she had publicly endorsed and encourage armed anti-communist vigilante groups like the Alsa Masa and the Nakasaka, whose activities, according to an international report, have led to a consistent pattern of human rights violations, including "countless acts of murder, illegal arrest, forced recruitment" and other crimes. The same report stated not a single case of vigilante abuse has been prosecuted. "By this measure," the report added, "the Philippine Government must be judged to have tolerated pervasive abuses by armed vigilantes."

But to these charges, Mrs Aquino, sounding very much like her predecessor, says that human rights abuses are more the exception than the rule.

While she claimed to have strengthened the Philippine Commission on Human Rights by providing for the permanence of the tenure of its members and by giving them sufficient powers to bring violators to justice, she failed to say that the same Commission on Human Rights has done very little, by way of bringing violators to justice. Nor did Mrs Aquino touch on the Mendiola massacre or the Lupao massacre. But how could she? None of the perpetrators of these grisly massacres have been brought to justice. Why, even pleas from human rights groups to government agencies to conduct a second autopsy have been ignored.

Mrs Aquino spoke of the new Constitution with a pro-people framework that was ratified by the Filipinos. While she talked of social justice and human rights, she failed to tell her audience that some drafters of the new Constitution had called her attention to the fact that the Aquino regime was doing little to push the constitutional provisions on social justice and human rights.

Mrs Aquino quoted state principles and policies on social justice, human rights and the protection of workers' rights enshrined in the new Constitution as though these were new state declarations. It is a fact that the same state principles and policies regarding the promotion of social justice, the protection to labor and the promotion of human rights were also enshrined in both the 1935 and the 1973 Constitution.

These lofty state principles, unfortunately, were merely words on paper. They were nevertheless almost always extolled by past Philippine presidents whenever there was need to defend their governments against charges of abuses and violations.

Mrs Aquino, however, promised that these promises made would not remain "words on paper." She said she will "forthwith take the necessary steps to secure approval by the court of the rules for a new Philippine writ of Amparo, a special constitutional remedy to enforce human, social and economic rights through a speedy and inexpensive procedure."

It is a rose garden Mrs Aquino is painting, splashing the Philippine landscape with pink promises.

But there have been other promises made before, many of which have remained unfulfilled, more because there was lack of political will and determination.

The flowers bloom for her in Geneva, but the earth in her native land is streaked with blood, violence and injustice.

/9274

House Attempts To Modify Image; Performance Assessed

42000391a *Quezon City MALAYA in English*
12 Jun 88 pp 1, 6

[News Analysis by Benjie Guevarra: "House Tries to Shed Reactionary Image"]

[Text] Like the Greek mythical hero Aeneas carrying his father Anchises away from the burning city of Troy, the House of Representatives was saddled in its first year with the "old Congress" image of elitism, conservatism and patronage politics on its way to advancing popular democracy.

Its initial claim to history is its having passed what critics described as an "emasculated, pro-landlord" agrarian reform bill, but which the House leadership regarded as a radical measure and the crowning glory of its first nine-and-a-half months of legislative work.

What is remembered are the internecine wars, not only within the faction-ridden ruling Lakas ng Bayan coalition but with its co-chamber, the Senate, and the executive department. Ironically, the House is perceived to be the relatively subservient congressional chamber to Malacanang despite its highly publicized rifts with the executive department.

It would seem that this image, aggravated by reports of well-funded backroom lobbyings for or against particular legislations, would relegate the chamber to "the dustbin of history," as one disillusioned solon charged, following the successful efforts of their pro-landlord colleagues to "mangle" House Bill No 400, the CARP bill.

The task of getting rid of the old Congress's squalid shadow was acknowledged by Speaker Ramon V. Mitra Jr who, during the opening session of Congress on 27 July last year, called on his colleagues to create "a fresh and positive image" of a "revolutionary parliament."

"We're all keenly aware of the tarnished reputation of the old House and those who composed it," he had said. "Just about everyone of us wants to see something done about improving its soiled stereotype."

"Many of us see the incoming legislature's immediate problem as that of proving it can be trusted with carrying out structural reforms in national society, to ease its grave inequality and mass poverty. The old Congress was labelled as reactionary...of allowing the importunings of power blocs within it to prevail over the public interest on vital issues," he said.

However, the bitter fight for the speakership a couple of months before Congress convened provided a clue to what was in store for the new Congress.

From an initial seven contenders, the field narrowed down to three—Mitra and Reps Francisco Sumulong Sr (Laban, Rizal) and Jose Yap (Laban, Tarlac). In an apparent act of appeasement, the five other challengers, along with Sumulong and Yap, were given choice positions in the House.

Mitra, with his political savvy and brilliant career behind him, was expected to get the topmost position, considering the issue of nepotism and favoritism were working against Sumulong, a maternal uncle of President Aquino, and Yap, a long-time political ally of the President's younger brother, Rep Jose Cojuangco Jr (PDP-Laban, Tarlac).

Despite the results of a straw vote favoring Mitra, the speakership race almost went out of hand were it not for the timely intercession of Cojuangco.

The President's brother had assumed a low-key but influential position in the chamber since then up to the time he was believed to have swayed the votes of the powerful pro-landlord bloc for the final draft of the CARP bill.

During the closing ceremony Friday, Mitra took pride of his chamber for having produced 13,637 bills, or a 121.7 percent increase from the record of its immediate predecessor, the Batasang Pambansa. Eighty-six of these bills have been passed on third and final reading with 24 already passed into law.

The bills passed into law include those implementing the Comprehensive Agrarian Reform Program (Republic Act No 6667) and providing for the 1989 national budget of P172.5 billion (RA 6642), pay hikes for soldiers,

policemen and private sector employees (RA 6638, RA 6648 and RA 6640, respectively); free public high school education (RA 6655) and the revised Tariff Code (RA 6647).

Of the 65 bills passed on third and final reading, the more significant ones are those promoting the use of generic drugs (HB 10900); creating a joint executive-legislative economic development council (HB 8697), Philippine sports commission (HB 901), Philippine postal service (HB 4200) and the Islamic investment bank (HB 4996); abolition of the Metro Manila Commission (HB 40); lowering the majority age from 21 to 18 years (HB 143), and the right to information act (HB 498).

Minority Floor Leader Rodolfo Albano and Assistant Minority Floor Leader Salvador Escudero III have commended Mitra for his "successful stewardship" in making the chamber tackle vital issues despite the administration's "indecision and incompetence."

The opposition lawmakers pointed to the government's failure to submit to Congress its legislative agenda to substantiate their claim.

"We cannot be over-critical of the chamber, considering its period of adjustment after 20 years of the Marcos dictatorship and a legacy of colonialism," said Rep Bonifacio Gillego (NUCD, Sorsogon), chairman of the agrarian reform committee and a member of the nationalist bloc.

The House's elitist image is "unavoidable," he said, because of the "centrist-conservative" position of the wielders of power in both Congress and the executive department. "It is difficult to expect radical changes from Congress under these circumstances," he added.

At the height of heated floor debates on HB 400, Gillego and 13 other members of his committee withdrew sponsorship of the bill to protest its alleged mangling by their pro-landlord colleagues led by Cojuangco—the first time in the history of Congress that committee members quit sponsorship of a measure they were endorsing.

Perhaps, the most significant achievement of Mitra is his success in keeping the members of the often warring PDP-Laban, Lakas ng Bansa, Liberal Party, Unido and the Caucus of Independents together under the fragile pro-Aquino coalition.

There are quarters which believe that Mitra, considered one of the strongest presidential contenders in the 1992 elections, was often indecisive in crucial issues owing to his efforts to consolidate his political hold over the 203-member chamber.

However, there are other camps which believe that the dexterity and charm of Mitra is needed to "herd" an unwieldy group composed of political kingpins who, after 20 years of strongman rule, have yet to rationally adjust to the newly found spirit of liberalism, the so-called "democratic space."

Mitra showed he was on top of things when he had asserted his leadership in "persuading" pro-administration solons to pass the drop-Sabah bill in time for the December 1987 summit of the Association of Southeast Asian Nations.

The congressmen, including the members of the coalesced minority, were behind him when he declared war on the executive department, assailing certain Cabinet members for their "arrogance" and "contempt" of the lawmakers. Most of the solons also braced for a showdown with Malacanang over the controversial approval by the President of the P12.4-billion contract to manage and operate the Manila International Container Terminal.

Unfortunately, the Speaker reinforced his chamber's image of relative subservience when he backed off from the expected showdown with the Palace in both instances, opting instead for a reconciliatory stance.

A number of congressmen led by Reps Gualberto Lumauig (Ind., Ifugao) and Oscar Orbos (Lakas, Pangasinan), smarting from several skirmishes with their colleagues in the Senate, are lobbying for the return of unicameralism in a bid to have abolished what they consider the "smaller house" with no fixed constituency.

An indication of this brewing rift between the two chambers is the failure, if not refusal, of the Senate to adopt in toto HB 40 authored by Sumulong, Senate President Jovito Salonga's archrival for political supremacy in Rizal province.

Mitra believes, however, that his chamber has done well. He has vowed to take up during its second regular session a set of bills addressing poverty, increasing income opportunities, generating foreign exchange, equitable distribution of wealth and income and the promotion of industrial peace.

Resuming a combative position against the executive department, he also promised that his chamber would scrutinize the activities of Cabinet members by summoning and grilling them regularly in its weekly "Question Hour."

In an effort to promote transparency, his chamber had passed House Bill No 7782 restoring line item budgeting, a move which would require department heads to justify every single centavo of their proposed allocations for the coming year.

Confident of his chamber's record, Mitra assured the public that "reformist legislation" can redress the inequities of national society without a civil conflict.

"To our critics," he had said during the closing ceremonies, "to all those who have made the House of Representatives their scapegoat, their whipping boy for every imagined ill and anomaly in public life, I challenge them to look at the record of the House—setting aside their prejudice and tell us which Congress, in our political history, has done better than the present House of Representatives."

/9604

Congress Failure To Implement Economic Measures

42000403b Manila *BUSINESS WORLD* in English
13 Jun 88 p 7

[Article by Benjamin B. Cruz]

[Text] Day 1 of the second session of Congress—that is July 15—will see the House of Representatives immediately legislating economic measures.

Speaker Ramon Mitra, Jr said the House economic agenda will focus on five areas: eliminating poverty and unemployment, increasing income opportunities, generation of foreign exchange, equitable distribution of wealth, and promotion of industrial peace and stability.

But just like the Comprehensive Agrarian Reform Program, which virtually took up the entire effort and attention of its first session, enacting laws affecting business and industry are seen to face rough sailing in a Chamber dominated by property owners.

A number of developments during the first session support this observation.

For instance, a bill perceived to be "pro-labor," but already approved by the House committee on labor and employment, was prevented from being discussed on the floor—President Aquino's certification of urgency, notwithstanding.

A *BUSINESS WORLD* source spoke of how a congressman, author of a bill banning strikes in government enterprises, and member of the powerful House rules committee (which prioritizes bills to be deliberated on), tried to stop discussions on the bill.

It is easy to see why. The committee-approved measure sets, among others, a profit-sharing scheme pegged at 10 percent of the net profit before tax and guaranteeing the rights of workers to organize and strike. If this is approved, the solon's bill will become moot and academic. Ditto for the so-called pro-labor bill.

Rep Oscar Santos of Quezon, the author of the profit-sharing measure and Rep Albert Veloso of Leyte, the committee chairman, acknowledged that the bill would be resisted by most of their colleagues once deliberated on. As it turned out, they did not get even a chance to have that "luxury"—at least before the first session ended.

Speaker Mitra, while wont to assert his leadership on issues he feels strongly about, failed to sway House sentiment on a number of important legislations.

For instance, at the beginning of its session last January, he announced that the House would concentrate on its economic agenda, "topmost of which is the expansion of power plants".

He vowed to enact bills of economic importance, similar to the five-point program he is now waving, and opposed the sentiment of the House committee on economic affairs to create an executive-legislative commission which would supersede the National Economic Development Authority as the highest economic policy-making body in the land. He had a good reason: it would just create another bureaucratic set-up.

Other economic targets the House made, led by its economic affairs committee chairman Rep Targarito Teves of Negros Oriental, included, among others, utilizing the unused P1.4 billion loans in foreign aids, loans and grants and enactment of a cooperative law.

With the first regular session just ended, what happened to those economic targets? Tackling the energy problem never reached the House floor. Other economic targets did not go beyond the rhetorics level. And what was approved on second reading? The bill creating the executive-legislative commission.

Can we really now look forward to more economic-oriented legislation, as promised?

/9274

Government Study Finds Insurgency Deters Economic Growth in Cagayan Valley
42000391b Quezon City MALAYA in English
13 Jun 88 p 7

[Text] Insurgency is compounding the economic woes, including the lack of job opportunities, of Cagayan Valley or Region 2 in spite of its rich natural resources, according to a Department of Labor and Employment study.

The study conducted by the employment promotion division of the Bureau of Local Employment, noted that in view of the region's insurgency problem, "the creation of a peaceful community life conducive to productive endeavors is a main task to be addressed within the next 5 years."

The study, entitled "Labor Market Information in Region 2," was undertaken to assess the employment supply and demand in the region.

"Being a depressed area, Region 2 offers very limited opportunities for productive employment. Although it is endowed with rich natural resources, availability of job opportunities is a felt problem. Off-farm jobs, if available, could only be found in the more urbanized centers of the region," the study said.

In 1986, the study said, 61,000 of the 1.1 million labor force in the region were unemployed, with the unemployment rate reaching 3.2 percent.

Underemployment was placed at 215,000, or 19.3 percent of the total labor force.

Regional average family income based on the 1985 family income and expenditures survey of the National Statistics Office was P27,441 per year, the study said.

Distribution of income was found to be grossly unequal, with the upper families receiving 65 percent of the total family income, and the lower families sharing only 35 percent, the study said.

The study recommended the promotion of income-generating projects for the disadvantaged families and the provision of skills training and capital assistance to the unemployed, underemployed, and out-of-school youths.

It also stressed the need to match career choices with the demands of agro-industrial development, adding that vocational guidance and the realignment of education training should be attuned to the needs of the region.

/9604

Columnist Details 5-Year Population Plan
42000399c Manila THE MANILA CHRONICLE in English
13 Jun 88 p 4

[Article by Arlene Babst-Vokey: "Population Plan Must Begin Somewhere"]

[Text] Last Thursday, Social Welfare Secretary Mita Pardo de Tavera announced the Population Commission's 5-year plan covering 1989 to 1993. Not a moment too soon, literally, since two Filipinos are born every minute.

The secretary described the plan as "a result of many months of consultation and dialogue with various sectoral groups—government and non-government, including religious, cause-oriented and civic organizations."

In Catholic Philippines, the consultation with religious groups is a must since the strongest opposition to the use of artificial birth control methods comes from the Catholic Church. Many population planning workers throughout the country tell of priests preaching from the pulpit that the use of pills, condoms, IUD's and other such aids, constitute a sin for Catholics.

Ms Pardo de Tavera emphasized that the program's ultimate goal is the improvement of the quality of life of Filipinos, recognizing the interrelationship of population, environmental factors, the status of women, maternal and child health, urbanization, migration, and even the availability of jobs and education facilities.

Every year, more than 700,000 Filipinos enter the work force, and about one-fourth of the population goes to school.

As for the urbanization factor, the population of Metro Manila is pegged at 7 million—which was the population of the Philippines when the first census was taken in 1903.

Today, based on 1985 figures, the average number of children per woman is a high 4.3. By the year 2000, the program hopes that the figure drops to 3.01, which is still much higher than the present average for women in developed countries.

The 5-year plan notes that unless the population growth rate is moderated, the estimated population of 58 million in 1987 will reach 110 million in just 28 years or by the year 2027.

Right now, the population density is more than 192 persons per square kilometer. At the rate the Philippines population is growing (estimates from 2.4 to 2.7 growth rate), our density will be greater than even that of the most populous country in the world, the People's Republic of China.

Without losing sight of its main thrust—the integrated development program—the 5-year plan aims to moderate fertility by expanding program coverage to include an additional 1.5 eligible couples who choose to practice family planning. Almost 4 million couples are already covered.

The plan takes full consideration of the strong religious beliefs of Filipinos by offering them Church-approved methods based on counting the “safe days” of a woman's menstrual cycle.

But Popcom officials state that all methods—artificial and natural—are explained to its clients. Pills, condoms, IUDs, etc., will be made available to every Filipino who wishes to use these aids. The choice of methods will be left entirely to the user.

The plan needs a massive budget: P2.9 billion pesos. So far, it has not yet identified its funding source but in 1987, P189.5 million was made available for the population planning program. Much of that sum came from foreign sources, the bulk of it from USAID—some P86 million. About P9 million came from the World Bank, and almost P10 million from the UN fund for population activities. The National Government contributed almost P85 million.

This government policy on population planning has long been awaited. Until it was finally announced, we heard people from the Labor Department lamenting that they could never keep up with the job requirements of more than 700,000 Filipinos each year. The Department of Health, of Natural Resources, and other key agencies also expressed their concern that the country's resources simply could not keep up with unplanned population growth.

The Popcom official said that even with this plan, a growth rate above 2 percent is still far from satisfactory considering our current national problems. Still, it's a start. We wish the Population Commission all the public support they can muster. As usual, it's our children's future on the line.

/12232

Official Positively Assesses Government's Reconciliation Effort

42000391c Davao City THE MINDANAO MIRROR
BULLETIN in English 6-12 Jun 88 pp 1, 7

[Text] Cagayan de Oro City, June 5 (PNA)—About 7,000 communist rebels have availed themselves of the government's national reconciliation and development program (NRDP) nationwide, social welfare secretary Mita Pardo de Tavera said.

Tavera said the number is a bit encouraging considering that there are only about 15,000 armed regulars of the New People's Army (NPA) in the country.

But she said DSWD had yet to determine how successful the reconciliation program was since there were other government line agencies involved in it.

They are the National Economic and Development Authority (NEDA), the Department of National Defense (DND) and the Department of Local Government (DLG).

The DSWD, she said, extends services to rebel returnees in the form of housing, medical, livelihood training and economic loans.

/9604

Church, Military Form Consultative Body
42000403e Manila MANILA BULLETIN in English
19 Jun 88 pp 1, 21

[Text] A church-defense consultative body was formed yesterday at Camp Aguinaldo, a move military officials described as a step to "resolve the gap between the religious sector and the defense-military establishment."

Called Church-Defense Consultative Conference (Cadence), the body seeks to foster cooperation and mutual assistance between the church and military to strengthen their roles in society and uplift the lives of the Filipino people.

Defense Undersecretary for Civil Relations Leonardo Quisumbing and Rev Severino M. Pelayo, military bishop of the Philippines, jointly led the new organization.

They signed the body's constitution and by laws with representatives of the Armed Forces and various churches in the country.

Quisumbing said Cadence will serve as a medium of consultation between the two groups so that steps can be taken immediately to solve church-defense problems.

He said the body will also help in checking the causes, conditions, and growth of insurgency in anti-social activities in the country.

Other members of Cadence are Rev Soliman Ganno of the Philippine Independent Church, Dean Adriel Maimban of the Iglesia ni Cristo, Prof Abdulrafi Sayedy of the Institute of Islamic Studies, Lourdes Ilustre of the Department of Defense public affairs office, and Brig Gen Honesto Isleta of the Armed Forces civil military operations office.

Meanwhile, Gen Renato S. de Villa, Armed Forces chief of staff, called on major military service commanders to regularly hold troops formation and education sessions and open forums with soldiers to discuss their grievances or problems in the Armed Forces.

Speaking before troops gathered at the General Headquarters at Camp Aguinaldo, De Villa stressed that the AFP, under any situation, must preserve its unity, strength, and stability to defeat the enemies of the state.

"I will not allow the AFP to go to the dogs or allow it to be dismembered and factionalized," he said.

He cited improved communication between soldiers and superiors as a way to promote stronger relations among men in the uniform.

He added that the chain of command will be followed solidly if there is two-way communication among soldiers.

/9274

Military Says Foreign Firms Pay High Ransoms to NPA for Hostages

42000403d Manila MANILA BULLETIN in English
16 Jun 88 p 8

[Article by Milton P. Pascua]

[Text] Laoag City—Military authorities in the Ilocos Norte disclosed that foreigners kidnapped by communist guerrillas had paid sizeable amount as ransom for their release, it was disclosed.

A military report said that several documents seized by military troops from a rebel camp in Vintar town showed that representatives of two foreign construction firms had paid ransom in exchange for the liberty of their personnel who were captured by the rebels.

Military authorities said that a demand letter addressed to the two foreign construction firms showed that the rebels asked P14 million from the Japanese Kumagai Gumi for the release of the firm's administrative officer and two others who were taken hostage during a raid at the firm's field office in May, last year.

Lt Col Romeo Acop, Ilocos Norte provincial commander, said he could confirm nor deny if the demands were met or not. [sentence as published]

In another document, the rebels reportedly received sizeable amount in exchange for the release of two Korean engineers held captive for several months by the rebels.

Aside from the money demanded by the rebels, Acop said that they also asked from the foreign construction firms communication equipment and high-powered firearms.

According to the military, the kidnap victims were declared prisoners of war (POW).

Local newsmen, however, have yet to confirm with the rebels if the alleged documents were genuine or they might just be propaganda materials of the military.

The Japanese Kumagai Gumi is engaged in the construction of the multi-million-peso Palsiguan multi-purpose irrigation project, while the Korean Hanil Construction has just moved out of the province after fulfilling its contract with the Philippine government for the improvement of the Cagayan-Ilocos highway.

/9274

Cagayan Governor Warns Traders Against Aid to Rebels

42000403f *Quezon City MALAYA in English*
19 Jun 88 p 6

[Text] Tuguegarao, Cagayan—Cagayan Gov Rodolfo Aguinaldo yesterday warned loggers and other businessmen to stop giving financial or material support to the communist rebels or face possible prosecution.

He issued the warning after the recent reported capture in Gonzaga town by the military of documents indicating that some loggers and other businessmen have been paying progressive tax to the New People's Army rebels.

Aguinaldo said contributions to the communist movement in Cagayan last year amounted to P7.76 million.

Aguinaldo lamented that even small time businessmen like operators of moviehouses, gasoline stations, restaurants, bakeries, funeral parlors and sari-sari stores have been asked by the rebels to pay progressive tax.

He said some of the NPA collections have been deposited in some banks in the name of several supporters.

/9274

Baguio PC Oppose Mayor's Plans To Organize 'Vigilante Group'

42000403h *Baguio City THE GOLD ORE in English*
18 Jun 88 pp 1, 11

[Text] The Benguet Provincial Command, thru spokesman Major Brigilio Balaba, told the City Council in a letter that the Command discourages the move of Mayor Ramon Labo Jr to organize a vigilante group.

Balaba said that the peace and in order situation in Baguio City remains within manageable levels, "Most of the crimes reportedly committed in the city are physical inquiries and petty thieveries which are common for urban centers like Baguio. No grave felony, such as armed bank robberies, has been reported, which call for a creation of such vigilante group," he said.

Balaba added that "relatively, no single CPP or NPA atrocity has been committed. The recent apprehension and arrest of suspected Sparrow Unit members by elements of the Baguio City Police proves that the local police force is capable to cope up with situation concerning both criminality and insurgency."

/9274

Cardinal Vidal Protests Military Intelligence Raid on Church Group

42000398 *Cebu City SUN STAR DAILY in English*
4 Jun 88 pp 1, 2

[Excerpt] Cebu Archbishop Ricardo Cardinal Vidal yesterday expressed displeasure over the manner the military raid was conducted at the convent of the Missionary Sisters of Mary (MSM) in Labangon, Cebu City late Wednesday night.

Vidal, through his spokesman Msgr Achilles Dakay, remarked that during the Marcos administration, he was always informed of any military raid of a religious house.

Vidal said he was not informed by the Military Intelligence Group (MIG) of the raid at the convent, a dyRC news report said.

"Are we back to the Marcos days?" Vidal was quoted as asking by Dakay.

However the prelate said he can't do anything since the MIG has already apologized. It will be up to the congregation to take action against the MIG, he added.

Meanwhile Dakay said the church and the military should hold a dialog about the special arrangement between the church and the Defense Department.

Under the agreement, the church hierarchy should be informed beforehand of any raid of a religious house or institution.

Although the possibility of "left-leaning" members of the church could not be discounted and the church hierarchy merely relies on military intelligence, the Diocese spokesman said the church should at least be informed.

The convent was suspected to be a rebel safehouse by the military.

Three alleged members of the Mindanao Commission of the Communist Party of the Philippines-New People's Army (CPP-NPA) were reportedly hiding in the convent although the MSM nuns denied they sheltered them.

The raid though yielded negative results.

Yesterday morning the convent appeared abandoned by its occupants.

/12232

Ang Bayan Cites Broadening Role of Working Class in Revolutionary Struggle

42000383c *Quezon City NATIONAL MIDWEEK in English* 8 Jun 88 p 40

[Editorial by Ang Bayan, Communist Party of the Philippines]

[Text] Because of the intensifying crisis and the level reached by the class struggle under the ruling system, the struggles and interests of the working class can easily be linked to and are inseparable from political issues.

The revolutionary forces must prepare for new political battles of the working class. The fighting capability of the workers' movement must be consolidated and further advanced. The broad masses of the workers must be shown that no significant change is taking place under the current dispensation. Their poverty and oppression will only worsen for so long as the system dominated by U.S. imperialism remains entrenched in the country.

To prepare the workers' fighting capability in the political arena, their economic struggles must all the more be advanced. These must be intensified, involving the broadest possible number of workers.

Conscious efforts must be exerted to immediately and concretely link economic issues and demands to the question of state rule: that it is imperialist and local reactionary class rule which make for the exploitation and oppression of the workers and the broad masses of the people, and that the workers as a class must struggle and seize political power for themselves and for the other oppressed classes. Those mobilized must be consolidated politically and formed or integrated into political organizations of the class.

As the vanguard of the proletariat, the Party must direct the workers' anger towards advancing the revolutionary alternative. It must point out in the clearest terms that only through struggle against and destruction of U.S. imperialist-bourgeois-comprador-landlord rule can the working class and the entire nation be liberated.

The anti-imperialist, antifascist and antifeudal struggles of the working class must be vigorously advanced. Workers must be involved in political mobilizations and must launch their own activities in connection with these. Lively and vigorous political education, propaganda and agitation must be carried out within their ranks. And by way of helping to further advance the anti-imperialist, antifeudal and antifascist united front, worker unity with the other oppressed classes and sectors, particularly the peasantry, must be tightened.

Proletarian and revolutionary leadership over the workers' movement must be strengthened. The Revolutionary Council of Trade Unions (RCTU) must be consolidated and developed, political activism must be invigorated and national-democratic education and propaganda

must be promoted among the workers' ranks. At the same time, the development of the socialist foundation and perspective must never for a moment be neglected. The Party must be expanded and consolidated among the masses of the workers.

With the rapid advance of the militant trade union movement, and conscious revolutionary leadership over it, the possibility of hundreds of thousands of workers massing up in a general political strike against the reactionary ruling system is not far off. The proletariat shall once again be unleashed as a decisive force for the attainment of national democracy—a necessary historical stage towards the strategic interest of the class which is socialism.

Ang Bayan Communist Party of the Philippines

/9604

Cordilleras 'Tribunal' Blames Aquino Government for Balweg Crimes

42000378d *Quezon City WE FORUM in English* 16-22 May p 9

[Text] April 24 was Cordillera Day.

It was also the anniversary of the murder of Cordillera leader Macli-ing Dulag by government soldiers way back during the Marcos era. That date had since the time of the murder been set aside in Macli-ing's memory as the Cordilleras' own red-letter day.

The 24 April that has just passed was also notable for the holding of an open public trial of Balweg conducted by the Cordillera tribal leaders themselves sans the government and its courts.

On 24 April, a People's Tribunal was set up by the Cordillera Bodong Association at the St. Vincent Parish Stadium in Baguio City to place Cordillera People's Liberation army leader Conrado Balweg under trial for "gross crimes against the people of the Cordilleras." The authority of this tribunal is based on the *ator* [translation unknown], a *pangkat* [party] or council-of-elders-centered, *bodong*- [peace pact] bound and consensus-building indigenous judicial system and process widely respected and held in practice in the tribal Cordilleras. It is also based on the wide solid support the CBA has among the tribal peoples in the Cordilleras.

The 36-member tribunal comprised of tribal leaders, who represent the various member-tribes of the CBA and who have the prestige of holding the Cordillera-wide peace-pact that governs the laws and conduct of the tribal peoples in the region sat *en banc* [translation unknown] in a marathon whole-day session to hear charges, bills of particulars and testimonies by witnesses and relatives of victims against Balweg and his co-accused in the CPLA.

Balweg, who was given the opportunity to defend himself, did not attend the trial nor did he send any counsel or representative, although the tribunal called on him and his co-defendants to attend or sent their representatives to the trial for the purpose of their defense.

On the merits of the prosecution presented by the Cordillera People's Alliance, the tribal court found Balweg and his co-defendants in the CPLA guilty of the following crimes:

- Kidnapping and murder of CBA Chairman Dñiel Ngayaan on 5 October last year and refusal to turn over the body of the victim to his family, despite Balweg's and the CPLA's public admission of the crime;
- Murder of Romeo Gardo, Jonathan Bisuman and Lito Babasa, also of the CBA, in Palakio, Bukay, Abra;
- Frustrated murder of Amador Molina of the Abra Youth Alliance, in Duldulao, Malibcong Abra;
- Forced evacuation of the Butbut tribes of Buscalan and Ngibat in Tinglayan, Kalinga-Apayao and the destruction of their farms and communal property;
- Usurpation of the **bodong** and making a mockery of it by entering into the farce of a questionable **sipat** [translation unknown] or temporary truce with the government.

Convicted by the tribunal for the same crimes, together with Balweg, were Sagmayao Appag, Julio Yao, Modesto Sagudang, Mariano Augusto, Lam-ey Tupali, Ignacio Sibayan, Sammy Millares and Mario Yagao, all ranking members of the CPLA.

The tribunal also found the Aquino government guilty of being a "partner in crime" of the CPLA for colluding with an coddling Balweg as part of its "total war" policy against the Cordillera people, and for its Executive Order 220, which created the Cordillera Administrative Region, as being just a detriment to the region and making only a fake grant of autonomy to the region. The tribunal decided that the Aquino government should "end all abuses, indemnify all victims of atrocities of the CPLA and unconditionally dismantle and disarm the CPLA and other similar groups operating in the Cordilleras."

After the verdict was determined, there was no need to be explicit about the sentence deserved by Balweg et al for their crimes. It is understood in the Cordillera tribal system of justice that blood debt is to be paid for with life and that damage or loss of property in the commission of a crime is to be repaid many times over.

While Malacanang was to be sent a copy of the proceedings of the trial, together with human rights organizations here and abroad, the Manila government is not likely to understand what the matter was all about, much less do anything about it in the form of a recognition of the tribal judicial process or in the form of a rectification of its own part of the misdeeds.

The problem is that the Manila government has never really had its presence and influence significantly felt in the tribal Cordilleras, even as far back as the colonial days. Indigenous political and self-governing structures had always been the determining institutions in the region, although that was until revolutionary and progressive forces and influences increasingly gained ascendancy in the region through these same tribal political structures and self-governing bodies and their constituents that the Manila government have always belittled.

Whatever, therefore, the attitude and response of the Aquino government on the issue, it is not to be determinant in regard to the issue. Whether it is the tribal or the revolutionary and progressive elements or their combination within the 24 April People's Tribunal that is primary, therein amidst them lies the determination of the issue. At the very least, even if the Aquino government continues to let scot free, coddle and even collude with Balweg and his CPLA in their criminal and terrorist anti-people activities, for the **pangats** and the institutions, structures, organizations and influences that count in the Cordilleras the verdict has been made, not only on Balweg and his cohorts but also on the Aquino government. The process of carrying out the sentence on them is only a logical conclusion of the verdict. And Balweg and the Aquino government, who have lost the Cordilleras, and not in too small a way because of this case, may very well just be living through a mere delay in the implementation of justice.

That may seem to be only insofar as tribal or revolutionary justice in the Cordilleras is concerned.

Even judging by Manila's own standards, however, from the legal and judicial processes supposedly available before and committed to by the Aquino government, the ineptitude of this government in rendering justice or even in just making its rule consistent and not look so ridiculous and utterly mocked is evident in the very fact that Balweg goes around scot-free even as he admits, at the very least, to having ordered the murder of Ngayaan.

/12913

Rebel Priest Describes 'Christian Experience in Revolution,' Social Goals

42000378c *Quezon City WE FORUM in English*
30 May-5 Jun 88 p 12

[Word in boldface as published]

[Text] During the past decade the mountainous Cordillera, 300 kms. north of Manila and populated mainly by tribal Filipinos, has become sort of a "breeding ground" for members of the clergy deeply involved in various political causes including the underground guerilla movement.

The most popular among them is former Society of Divine Word (SVD) priest Conrado Balweg who in the early '80s joined the New People's Army (NPA), the communist-led guerilla army waging a 19-year war against the Philippine government.

Other well-known men of the cloth who turned NPA guerillas in the region are Catholic priests Cirilo and Bruno Ortega, Nilo Valerio and Eduardo Balicao.

Fr. Balicao, 37, and a diocesan priest from the Vicariate of Mt. Province, is highly vocal these days. He was spokesman of the Cordillera People's Democratic Front (CPDF), the coalition of underground forces in the region, during the 60-day ceasefire between the government and guerilla forces in December 1986 to January 1987.

Although criticized by most of his superiors for "going beyond" his calling just like the other guerilla priests, Fr. Balicao sees no contradiction between his Christian faith and the underground movement.

"In fact, my initial basis for embracing the revolution was my belief in Lord Jesus," said the priest, a Kalinga, one of Cordillera's major tribal groups. Christian experience in the revolution is different from the traditional or ritualistic expression of Christian faith in the established (Church) institution."

In his view, Christianity commonly practiced in the Cordillera remains individualistic, divorced from "social and collective light" and thus "hollow."

At the time of the interview, Fr. Balicao who carried a handgun said he has not yet participated in a military operation, being tasked mainly with "political and not military work." "The gun was mine for self-defense," he said.

Fr. Balicao criticized Balweg, with whom he said he had worked closely in 1979. He said Balweg had been exploring the idea of turning Cordillera into a separate nation since 1984. He calls Balweg's analysis of a semi-communal Cordillera and on making the traditional *bodong* (peace pact) system as the basis for governance in the region as an "intellectually insincere" depiction of the Cordillera.

He said that while Cordillera society has characteristics clearly distinguishing it from the lowlands, it strongly shares common features with the rest of the country.

The Catholic priest said that although landlord-tenant relations are absent in certain parts of the sub-region particularly in its interiors, exploitative practices like usury are prevalent. On the other hand, landlord-tenant relations are in operation in the plains of Ifugao, Kalinga- Apayao, and Abra, three of five provinces comprising the Cordillera.

Fr. Balicao said, social class stratification in the Cordillera is now increasingly following the patterns in Philippine society."

/12913

MIDWEEK Editorial in Defense of Media
42000378b Quezon City NATIONAL MIDWEEK in
English 1 Jun 88 p 1

[Text] In ancient times the bearer of bad tidings, the messenger who brought back news of defeat on the battlefields, was ordered killed by the king. These days media persons who report on the communist insurgency get accused of giving aid and comfort to the enemy and become the object of smear campaigns and witch hunts.

Not long after President Aquino called on the media to report "glowingly" on her administration's accomplishments, the defense establishment began a systematic, well-orchestrated, sustained media campaign against media.

The first target was the foreign press. On the basis of alleged revelations by a surrendered communist rebel, the military accused the British Broadcasting Corporation (BBC) of having paid off a New People's Army unit to stage—for the benefit of TV cameras—the Bicol ambush in which a young lieutenant, a general's son, was killed. Payment was said to be in the form of money and guns.

Responsible foreign correspondents thought the story absurd. Foreign Secretary Raul Manglapus called the charges "bizarre," adding: "I doubt if a serious and respected media institution would go that far to create news." The BBC itself said in a statement that it did not have a television crew in the Philippines at the time of the ambush.

Yet the report was front-page stuff several days running. Local media took the military press release seriously—or, put another way, they swallowed it hook, line and sinker. Behind such a reaction lurked the shadow of local media's resentment of their foreign counterparts. This resentment has nationalist underpinnings and is not entirely surprising, considering that not a few foreign correspondents have been boors and bullies who make no effort to learn the local culture but act like know-it-alls.

This hidden resentment, unfortunately, blinds us to the fact that any attack on the foreign media is at the same time an attack on media in general. It is an attack on freedom of the press and of expression, freedoms we found and sacrificed so hard for during the Marcos era.

In fact, the attack on the BBC has turned out to be only the beginning of an all-out assault on media. The latest production of the psywar experts is a list of 112 Filipino and foreign journalists who are under surveillance for allegedly "liaisoning" with the leftist underground. Obviously, media persons who have at any time interviewed, or requested an interview with an underground personality have now themselves become suspect.

The groundwork is being laid for a new reign of repression. Sad to say, some people in media, and not just graduates of the Marcos-Cendana school of journalism, are only too willing to collaborate with military propagandists in this undertaking.

/12913

Editorial Views Future of U.S. Bases in Philippines

42000389c Bangkok BANGKOK POST in English
8 Jun 88 p 6

[Editorial: "Subic, Clark Bases Likely To Stay Intact"]

[Text] The Philippine Senate handed a strong rebuff to the United States when it passed a rigid anti-nuclear bill that U.S. officials say would make the American military presence in that country unworkable. The move comes amid delicate negotiations on extending the lease for U.S. bases in the Philippines beyond its 1991 expiration date.

But the U.S. reaction was surprising. Aside from a softly-worded response from the State Department noting that the anti-nuclear bill is "incompatible with our policy", a top-ranking American official pledged continued U.S. economic and military aid to the Philippines, and said a defeat for democracy there is a defeat for America as well.

The official, U.S. Assistant Secretary of State Gaston Sigur, added that Washington "will never attempt to dominate or dictate" to developing Asian countries.

What's happening here?

In a word: diplomacy. The two sides are sending clear signals to each other that U.S.-Philippine relations are handing but remain healthy. And the outlook is good for a deal that will allow the U.S. bases to stay.

At first glance, the Senate bill would seem a setback. It bars "development, manufacture, acquisition, testing, use, introduction, installation or storage" of nuclear arms and components on Philippine soil. The U.S. says the bill would mean the closure of American bases because of Washington's policy of neither confirming nor denying the presence of nuclear arms on U.S. vessels, aircraft or facilities.

Passage of a similar bill by New Zealand caused the U.S. to break off defence cooperation in 1986, killing the decades-old security pact between America, New Zealand and Australia.

But the Philippine House of Representatives has yet to come up with its own version of the anti-nuclear bill, making it unlikely that such a law will be passed before Congress adjourns for a six-week recess on Friday. In fact, it is said that passage of an anti-nuclear law this year is a longshot, and America can take comfort knowing that President Aquino could exercise veto powers over any legislation or send the lack back to Congress for changes.

What is apparently happening is that the Philippines, through the Senate vote, is conveying a message that the country is no longer to be thought of as an American colony. It is asserting its independence.

The U.S., through Sigur's speech on Monday, has countered with an acknowledgement that the days of Marcos are over, and that it is willing to work with the Philippines not as a military holding, but as an ally.

Sigur said "understanding of mutual benefits and good faith will, we are confident, lead to a successful review" of the U.S. bases accord, "and move us forward in planning for the future of our security partnership".

That seems probable. Unlike other current negotiations for overseas American bases—in Spain, Greece and Turkey, for example—a friendly climate has prevailed in the Philippines, making it easier for both sides to get what they want. Manila will presumably see a significant increase in U.S. aid and much-needed assistance in managing its \$28.7 billion foreign debt. Washington will maintain its largest overseas military facilities in this strategically important region.

Sigur said America's policy in Asia today is not one of "imperial overstretch", but one of "responsible outreach". Properly handled, that is good for the Philippines. It is a positive development for all ASEAN members.

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BANGKOK POST Terms U.S. Nicaragua Policy 'Failure'

42000389a Bangkok BANGKOK POST in English
9 Jun 88 p 6

[Editorial: "Nicaragua: A History of Folly"]

[Text] "The net result of these instances, and recently of the far less justified intervention in Nicaragua, is that never before in our history have we had fewer friends in the Western Hemisphere than we do today."

Those words were written sixty years ago by a politician who would ultimately become the longest serving President in the US history, Franklin D. Roosevelt.

He was commenting on the phenomenon of US intervention in the affairs of its neighbours and especially a recent incursion into Nicaragua. In 1928, the United States had several decades behind it of exercising its "manifest destiny" at the expense of smaller states on its periphery. Today not that much would seemed to have changed. During the Reagan Presidency the US has sent forces into Grenada ostensibly to protect the lives of American students studying there. But no one really understood that action as anything other than a move to usurp a regime unpalatable to the politicians in Washington and other Western and Caribbean capitals.

Nicaragua has been, like many of the other Central American republics, a frequent recipient of US intervention. The most recent period has seen the US supporting an insurgency with no clear programme for change if the Contras ever did gain power. This motley group of former Somoza henchmen and other recalcitrant opponents to the Sandinistas, have been assisted by the CIA to nip around the edges of Nicaragua, operating from the reluctant havens afforded by neighbours like Honduras, Guatemala and Costa Rica.

President Reagan has made the fight in Nicaragua his personal crusade. Despite the unpopularity of the cause with the majority of Americans, the power of the President and his National Security Council has carried the day for seven long years. Fifty thousand people are estimated to have perished since this conflict began receiving active US sponsorship. But finally, Contras have been drawn to the bargaining table and there has actually been established, a fragile ceasefire which could possibly end this fracas and bring some badly needed tranquillity to that troubled land.

Even though this "covert" operation has been conducted by the CIA against a government which is recognised by the majority of nation-states (even by the US itself) President Reagan has never ceased to berate the Sandinistas in language which any other state would regard as direct threats of war. It has only been because the Congress has cut off military assistance to the Contras, that this bloody war is winding down. The so-called "freedom fighters" were a figment of Washingtonian imaginations anyway and now they watch as their erstwhile benefactors scramble to save face on the eve of an election.

The imbroglio in Nicaragua points up once more the folly of international statesman who jump into a situation without giving adequate consideration to the consequences of failure. With experiences behind them, like the abortive Bay of Pigs invasion of Cuba, and the protracted conflict in Vietnam, American Presidents have no excuse for fuzzy planning.

But it now seems that Nicaragua, if it is allowed to proceed as it is presently, will join those other failures in recent US military history as examples of what not to do to protect US strategic interests. Not only do such adventures not perform as they are intended (the overthrow of the regime being targeted) but they drive moderates into the arms of extremists, who have every reason to nurture hatred for America and its institutions in the very people the US wants to liberate.

President Reagan's time is indeed running out. But he can use the time he has left to turn the situation around. He could most importantly give US support to the Latin American peace initiatives for the entire region. He could invite representatives from both sides in Nicaragua to assess what the US can do now that the Contras have been drawn to the bargaining table. President

Reagan still has a role to play but it should be directed to dialogue and self-reliance of the region's states rather than a blatant attempt to protect US interests.

In spite of having a population of only three million, Nicaragua has shown that it can and will stand on its own sovereign feet. This is something every American and especially the President of the United States should realise before sending future expeditions abroad. For as President Roosevelt observed, four years before becoming President, "We are exceedingly jealous of our own sovereignty and it is only right that we should respect a similar feeling among other nations."

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Princess: Rumor of King's Retirement 'Untrue'
42000389d Bangkok BANGKOK POST in English
2 Jun 88 p 31

[Article by Kitt Kittirutsunetorn]

[Excerpt] The rumour about His Majesty the King retiring was untrue, Her Royal Highness Princess Chulabhorn told the Thai Community in San Francisco.

She also reassured the concerned overseas Thais that His Majesty "would never abandon his people as long as they still want him."

Princess Chulabhorn, accompanied by Squadron Leader Virayuth Didyasarin, granted an audience to the enthusiastic Thia community in San Francisco last week during her lecture trip in the US.

"It is true that His Majesty the King will retire. He has been working hard for his people for 43 years and he will never abandon his people as long as they still want him," she told them.

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Chamlong Interviewed on Party Ideals, Alliances
42070131a Bangkok SIAM RAT SAPDA WICHAN in
Thai-15-21 May 88 pp 20-23

[Interview with Maj Gen Chamlong Simuang, the leader of the Phalang Tham Party; date and place not specified]

[Excerpts] [Question] Some people say that you formed this party in order to help Gen Prem become prime minister again.

[Answer] As I have said before, I don't mind if people attack me. The facts show that we formed this party with a pure heart. We did not form this party in order to support a particular person for the position of prime minister. Nothing has been concealed. Thus, at our meetings, everyone is free to say what they want. And these are not meetings of small groups. After more people run for MP and we have a party executive

committee, that executive committee will make the decisions, not me. But in Thai society, there must be a star performer whom others know. If I had not played this part and the committee had done this instead, we would probably have gotten less attention. This is a fact that we have to accept. But this does not mean that I will run what is called in English a "one man show." I listen to everyone. If someone objects to something, I listen. I tell him, "Hey, I hadn't thought of that. You have thought about that more carefully than I have." The same thing is true at meetings.

[Question] You have been meeting with members of the Young Turk group.

[Answer] I have not been meeting with anyone. This is not a Young Turk party. Of those who have come forward and contacted us, not one is a Young Turk. It's the same as with other groups that have invited me to meet with them. When people in Bangkok have a party, they invite me, and I go. If old classmates held a party and I did not go, they would criticize me. I have to associate with them. But that does not mean that we have held meetings to discuss running for election. There isn't any more to it than that. There aren't any Young Turks involved. What you saw... there aren't any. But this is fun for you and so you print things like that.

[Question] You have said that you don't want to be a minister. Is that really the truth?

[Answer] That's right. I have no desire to be a minister. I have said that, and the newspapers have printed that and speculated on what that means. We are not set on becoming MPs in order to gain a ministerial portfolio. In some cases, when people run from MP, they say that they want to be an MP, but really, they are intent on becoming a minister and will do anything to become a minister. This just causes turmoil, right? Thus, we shouldn't set our sights on becoming a minister. But if it is necessary for members of our party to become cabinet members, our executive committee and MPs will discuss this and consider which MPs are suited to holding which portfolios. Not every MP can become a minister. These positions are administrative positions. You have to have suitable qualifications. If we can't find suitable MPs, we may look to outsiders who have the proper qualifications. We must do what is best for the country, not the group.

[Question] Does that mean that if it is necessary to join in forming a government, it will be up to the party executive committee to decide?

[Answer] That's right. We are sure that these MPs are suited to serving as MPs. But only certain people are suited to serving as a minister. How suited they are is for the executive committee, in consultation with the MPs, to decide. We will consider which MPs in our party are qualified for a portfolio. Suppose that there aren't enough who are qualified. We will then look at outsiders.

If we feel that a person is very qualified, we will support him for the position. We can't take MPs just from our party. If it is clear that a particular person could, as minister, help the country to develop and prosper, we must ask him to take the position. This is my personal view. I have discussed this with the others and they agree. But this must still be confirmed by the executive committee. And I think that it will. I am glad that you asked this question.

[Question] Your political policy calls for separating administrative power from legislative power. What is the real purpose of this?

[Answer] As I have said, if there is turmoil again this time as in the past, with people trying to topple each other all the time, it means that some MPs are bad and are intent on toppling others so that they can have a chance of becoming administrators and profiting. This is improper. Those who are toppled become the opposition. And if they are bad people, they will try to topple their opponents for the sake of their personal interests. If such things continue to happen, I think that we will have to reconsider whether our present system is really suited to our country. It may be suitable for England but not for us. At present, the administrative form of Bangkok Metropolitan is different from that of the national government. We may have to implement a system similar to that of the United States, that is, a system in which the legislature cannot easily topple the administration as in a system in which there are no-confidence debates. In the system used in Bangkok Metropolitan, there are no debates of no confidence. It's up to the people. If the people agree, the next time they will elect the right faction. They will not elect the wrong faction. This is what I meant. I didn't mean that we should change things this time. What I meant was that if things continue on like this, we should think about that model. We don't have to have a system exactly like that used in the United States. We will continue to revere our institutions. We don't have to copy them exactly. We have many scholars in the field of political science. There are two things that must be understood. The first is the system, and the second is people. If the system has weaknesses, we can correct it with people. If people have weaknesses, we can correct it using the system. I am not saying that the present system is bad. It may be suitable for some countries but not for Thailand. And some systems that are suitable for Thailand may not be suitable for other countries. This is what I meant.

[Question] Do you have a line for taking political action?

[Answer] Yes. We have lines and policies. When we hold our party executive committee meeting, we will adjust our policies and improve them. Even though we have spent several months drafting our policies, we are continuing to work on them. But I don't think that this is an urgent matter. What is urgent is to.... How should I say it,

because you are eager to hear who is going to run. This is the urgent issue. We must handle this first. Other things can be done at the same time.

[Question] How likely is it that you will coordinate things with the Democrat Party?

[Answer] I have already discussed this. As for the Democrat Party, the day that Lt Gen Sanan Khachonprasat and Suphatra Matsadit came to see me, I expressed joy for their encouragement. That is, they encouraged me to form a political party. I talk with both of these people frequently, because we have been friends for many years. Their political views have not changed and are similar to ours. We have kept in touch with each other. They expressed their congratulations. They talked about politics and told us what we, as a new political party, should do. We just listened. That's all. We did not reach any agreements on this or that. Why? Because the executive committee must hold another meeting. How can I reach an agreement with someone? That would be subject to change. I would have been lying. Let's put it this way. We hold similar political views. We share the same views. As for saying which people and which party will run where, I can't reach an agreement with anyone. That's up to their committee. If I reached an agreement and things changed, I would be in trouble. But it was good that we had a chance to talk. I said that they looked fine and asked why. They said that now that the split has taken place, there is no need to argue anymore. I congratulated them and said that things should be fine now. There won't be so much turmoil. And from them, we learned what had caused the turmoil. This should help us avoid making the same mistakes. They gave us several pieces of advice.

[Question] In a previous interview, you said that the party will remain neutral in parliament. What did you mean?

[Answer] I didn't say that we would be neutral. That's how people construed what I said. It's like this. People usually think that a party has to be either for or against the administration. And this was true this last time. If you belonged to a government party, you could become a minister. If you belonged to the opposition, you were intent on opposing the administration. Those struggling for a portfolio tried to find a way in without giving any thought to honor. All they cared about was joining the government. This is what we don't want. Thus, we are not striving to join the government. Our main consideration is the interests of the country. Thus, if some party wins a majority of the votes, it can appoint the prime minister and form a government. Others don't have to get involved. But if a single party fails to win a majority of the votes, parties will have to look for support. We will consider who should become prime minister or how a government should be formed. If a member of our party has to become a minister, we will join with them. We would be a government party, right? If we don't, we will be ordinary MPs. If the government does a good job,

even though we belong to different parties, we will support the government. But if they do a poor job, we will oppose the government. We are not intent on opposing them in order to topple the government or on tarnishing their reputation. We don't want to use our rights as MPs to seek votes for ourselves or our group. We won't do this. Are we wrong? We haven't done anything wrong.

[Question] What you mean is that in the past, the parliamentary system has been in too much turmoil.

[Answer] You know what has been going on. This isn't just my view. Others have seen this too. That is why we set those three conditions.

[Question] In your view, what are the urgent problems right now?

[Answer] If we discussed that now, people wouldn't be interested. What people are interested in today is who is going to join our party. Last time, the parties formulated platforms and then set them on the shelf. They were never implemented. Why? Because everyone was involved with the issue of personalities. Thus, we have focused our attention on people. But that doesn't mean that we don't have a platform. We have a platform. And after we have established an executive committee, we will review our platform. We will reconsider it and may make changes. Even though we have not written things down, we know what needs to be revised and how. We can do this. This isn't a problem. Discussing this today would just be a waste of time. This isn't the right time to discuss this. We are at the stage of forming the party, finding people to run for election, and formulating plans for winning the election. That is another stage. There are no problems. And there are many others who will give us more ideas. We are watching things. We aren't sitting still.

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Oppositionist Chaloephan Discusses 10 January Faction Allies

42070131b Bangkok SIAM RAT SAPDA WICHAN in Thai 15-21 May 88 pp 23-27

[Interview with Chaloephan Siwikon, the leader of the opposition forces; date and place not specified]

[Excerpt] [Question] Would you tell us about the history of the Democrat Party? You were a member of this party for a long time.

[Answer] I feel that this was a democratic party at the time that I joined. Mr Damrong urged me to become involved in politics and so I joined this party. The party was very democratic then. The Democrat Party had the Sato Samakkhi group. We accepted this. Every political party had factions. This was true of the Thai Nation and Social Action parties. That was natural. It was a good

democratic system. It was not dictatorial like today. I ran for election as a member of the Democrat Party in 1979. At that time, I was the party secretary general. The party won 144 seats in 1976 and formed a government for 6 months. People charged that this was a leftist party. I was the party secretary that year. MR [royal title] Seni Pramot was the acting party leader. After the election, our number of seats fell from 114 to only 34. I resigned as secretary general, and a new executive committee was elected. That is a brief history. I was made deputy party leader. When parliament was dissolved, I was secretary general and a short time later I was a party leader. In 1983 a few problems arose. I did not run for election but remained a member of the party. I resigned my position as deputy party leader. In 1986 the party held another election for party leader. The new deputy party leader, Dr Phichit Rattakun, came to see me and asked me to become involved again. He said that I wouldn't need to do anything or even attend the meeting. He said that I would be elected deputy party leader. I told him that that would not be good. People would criticize me: a man who isn't even an MP is serving as deputy party leader. Dr Phichit said that I could go ahead and remain inactive. If you want to play politics, you have to have a position. Then, when you campaign for office, people will listen to you. A month later, parliament was dissolved and a new election was held, which brings us up to the present.

[Question] In the past, you were not that close to Mr Wira. Why are you so close now?

[Answer] I have been close to Mr Wira for a long time. In 1976 when the Red Gaurs burst into parliament, Mr Chuan fled. Mr Damrong and Mr Wira didn't know where to go and so they fled to the home of MR Seni Pramot and Mr Banyat. I took both of them to stay with me while hiding from the Red Gaurs. Four officials from the Suppression Division came. I was afraid of the Red Gaurs, too. Mr Wira stayed with me for a month. We lived together for a month. That was when we became close friends. We have been close ever since. I haven't always agreed with the views of the Sato Samakkhi Group. When I was the party secretary general, my views conflicted with those of Mr Wira. But we still saw each other regularly. There may have been a difference of opinion between the Sato Group and the group of Mr Damrong. But there was no personal conflict.

[Question] At that time, the central region faction was in conflict with the Sato Group. Even Mr Phichai was on the side of the central region faction.

[Answer] That's right. The Sato Group was a large group. Because the south.... In 1979 more than half the MPs belonged to the Sato Group.

[Question] The relationship of the 10 January Group is rather confusing. That is, there are people who don't understand. Because in the past, your political role was not very clear.

[Answer] I was not an MP and did not have much self-confidence.

[Question] As for the structure of the 10 January Group, why did the groups of Mr Sura Sirinuphong and Mr Khaisaeng Suksai join or go through Mr Wira?

[Answer] As for the 10 January Group, this has to do with impropriety and injustice and putting up with the bad temper of the party leader. It's a long story. This began in July 1986 after the election. There were questions about how the money had been used. Donations had gone into the account of Mr Phichai without going through the party. I donated money to help build the Democrat Party. Party money went into Mr Phichai's account without going through the party. Expenditures did not go through the party executive committee. Supporters of Mr Phichai who ran for election in Bangkok were given 500,000 baht. But according to the policy, candidates in Bangkok were not supposed to receive any money. But he gave money to some of these people. Wanida Chitman, for example, received money. But none of my people got any money. I had money and so I didn't use any. But most didn't receive any. Only certain people were given money. The policy of the party executive committee was not to give any money to people running for election in Bangkok. But Mr Phichai did so anyway. Wanida received money from the party. So did Mr Aphichat Damdi. Others did too. I think that Dr Suphachai received some. But most didn't. The policy was that those running in Bangkok would not receive any funds from the party. And so how could he give money to those running in Bangkok? Money was spent without the authorization of the executive committee. He signed personal checks. Some people received very little. It all depended on the party leader. I had donated money to the party and was a member of the finance committee. But I wasn't informed about this. And the money donated to the party did not go into the party's account. It went into his personal account. This is a long story. As for Mr Phichai getting angry at meetings and attacking party members, that is another matter. Thus, the 10 January group was formed because of the unfair way that people had been treated. Sixty-two MPs joined together and signed a petition demanding that the party leader step down. This is an old matter. People joined together to show that there was injustice and dictatorship and that the Democrat Party was no longer the same as in the time of MR Seni. That was why the 10 January Group was formed.

[Question] As for the weakness of the 10 January Group, the issue that has been raised is the issue of ministerial portfolios. Have you looked for a way to solve this problem?

[Answer] I have talked about this many times. That is an old issue. But because you have asked, I will tell you. You may remember that a seven-man committee was formed to find a compromise. Representing the party administration were Mr Marut, Mr Trairong, Gen Han,

Mr Pramot Sukhum, and Mr Banyat Banthathan. Representing my faction were myself, Mr Wira, and Mr Surachai. During the negotiations, I made the first proposal. I tried to get the party to reach a compromise. The other faction wanted to hold a meeting of all party branches in order to reach an agreement and get party members to compromise. But I said that we should not hold such a meeting, because this would just waste the time of our members. I said that we could settle the matter ourselves. The meeting was held, and the members divided into two factions. The 10 January and Phichai factions attacked each other savagely. Nothing was settled. They asked what could be done to solve the problems. I said that it would be very easy if they would allow us to participate in developing and administering the party. This was after 10 January. Lt Col Sanan said that this would be difficult, because it would require holding an extraordinary meeting. I said that we could hold such a meeting. We asked that we be given a role in developing the Democrat Party. Because on 10 January, we were harassed. We finally walked out. This was a moral victory. I did not say anything. Because they harassed us. Clapping with one hand doesn't make much sound. Lt Col Sanan said that because this was a major issue that would require holding an extraordinary meeting, why didn't we reshuffle the cabinet and give us some of the positions. That was what he proposed. This is the truth. They can't deny it. If that is what they really wanted, we would have listened. They could have told us what they wanted. This was the origin of the portfolio issue. At the meeting held by MPs of the 10 January Group, I announced that if I was offered a portfolio, I would like to issue a statement to the press. I would give up my portfolio to a member of the 10 January Group. I wouldn't accept a portfolio. I didn't want people to have the idea that I was using the 10 January Group in order to gain a portfolio. But I asked that this be kept a secret and said that I would make a surprise announcement to the press. If we could reach an agreement that day, I asked that the portfolios be given to someone else. That is what I said at that meeting. Mr Wira knows this. But I didn't have time. When parliament was dissolved, four-five portfolios were given to others. I wasn't offered one.

[Question] Initially, this seemed possible. What happened in adjusting the proportion of portfolios?

[Answer] If the cabinet had been reshuffled on 9 September 1987 at the party meeting, that would have been possible. A list was given to the prime minister, and I was told that he would make the decision. But how could he decide? When the Democrat Party, the party administrative committee, failed to say who was out and who was in, it gave a list of 25 names to the prime minister. He didn't know whom to eliminate. He said this. The party executive committee said that it was up to the prime minister to decide. And so nothing was settled.

[Question] Has the prime minister ever talked with the 10 January Group?

[Answer] Yes, he has. If I remember correctly, the day that I met him, I went to give him a letter signed by 42 MPs. The letter stated that if Mr Phichai remain the leader of the Democrat Party, while we would continue to support the government, the Democrat Party would continue to be wracked by problems. That was the substance of the letter that I submitted to him. I told him what the problems were. He asked me to come see him. I presented him with the list of 42 MPs and presented the details of the letter to him. He asked about the problems, and I told him. He asked what we were going to do. I said that this was the problem. We had reached a stalemate. That was the problem. After that, we discussed the matter of the Copyright Act. I talked with him about an hour.

[Question] How do you feel about the "Gang of Four," which is how people refer to Suthep, Banyat, Chuan, and Suphattra?

[Answer] I don't have any problem with Mr Chuan. He is a polite person. His interviews have been fine. Mr Banyat has tended to stay in the shadows and has not been very aggressive in his statements. As for Mr Suthep, as I have said before, he uses foul language, because he wants to kick us. Each time he gives an interview, he causes the split in the Democrat Party to grow even wider. Very few of his interviews could lead to a compromise. His statements are very aggressive and strong. As for Miss Suphattra, as the party spokesman, she often carps at the 10 January Group. They can always carp at us. There are interview techniques for doing this.

[Question] What about Mr Prachuap Chaiyasat?

[Answer] Where does Mr Prachuap come from? I have commented on this before. He joined the Democrat Party in 1986. Before that, he was a member of the Thai Nation Party. He has been a member for 2 years. I had been a member since 1976. Mr Wira was a member of the Young Democrats. Mr Kraison joined in 1958, and Mr Thawiwat joined in 1979. All of these people had been members for a long time and had helped build the party. They had adhered to the ideals of the party and made sacrifices for the party. Some of those who did not have money to donate donated their energy. But the new people who have joined the party have tried to force the 10 January Group out. Older members would never talk about forcing me out. If Mr Chuan had said that we should leave, I wouldn't have said anything, because he has been a member for a long time. But people who have been members for less than 2 years tried to force the 10 January Group out. Who are they and from where do they come? Of course we are angry!

[Question] Can you participate in political activities with this group?

[Answer] Your question indicates that you want me to resign from the Democrat Party. Mr Banyat and I have never had any problems. Mr Banyat stayed with me

when the Red Gaurs were after him. He stayed with me for a month. There is no conflict between Mr Banyat and me. I have been referring to Mr Suthep. Mr Suthep and I have known each other for a long time and have campaigned with each other. But a minister should not say the things that he does.

[Question] Do you still have any sentiment for the Democrat Party?

[Answer] A lot. I loved this party until 1983. Several parties asked me to join them. But I told them that I wouldn't leave this party. I was a member of this party even though I had conflicts with the party leader. I have sentiment. I had never switched parties. I had always tried to help this party. But after these problems arose, it wasn't the old Democrat Party. It no longer had the ideals of Mr Khuang or MR Seni. The administrative line changed. I am sentimental about the party and would like the party's present leaders to know that I and my group were loyal to the party. We had planned to remain members of this party. But these problems arose. Now that we have resigned, I leave the party in the hands of the present group of leaders. I hope that they can lead the party to its goals and maintain the party so that it can hit the targets cherished by Mr Khuang and MR Seni. I hope that they can restore the party's reputation.

[Question] The 10 January Group is now a democratic force. How large do you think this group will grow? Today, about 30 MPs belong to this group. Is there any chance of this number increasing to 50 or 60?

[Answer] We have to use former MPs as the standard. That is, we have to look at everyone the same way. If someone wants to join our party, that's fine. But we have to consider his background. We can't accept people haphazardly. But we welcome those who want to join us. Some people have already contacted us. As for what our party's policy line will be, I can't tell you at this time. Mr Thawin is handling that.

[Question] Do you expect former MPs from government parties?

[Answer] Most of the former MPs who have contacted us are opposition MPs who oppose the Copyright Act. I think that even in the government parties, there are many people who oppose this Copyright Act. Go and ask them. But because a party resolution was issued, they were forced to go along. They have greater discipline than the Democrat Party and the 10 January Group, which have little discipline.

[Question] Suppose that there is a clear division, with one group being composed of people from several parties and another group being an opposition party. On which side will the 10 January Group stand?

[Answer] We are opposed to the Copyright Act. If we joined with Prem, we would have to vote for the Copyright Act. But because we don't want this act, we must oppose it. Suppose that Prem gave portfolios to the 10 January Group and asked us to help get this act passed. If it were you, what would you do? We would have to oppose this and this would split the government again. Even though we oppose it, this act could be brought up again. If we don't agree with the prime minister, it would be better for us to stand with the opposition, right?

[Question] If the 10 January Group becomes a democratic force and wins a large number of seats, are you ready to serve as prime minister?

[Answer] Don't ask me such a question. When I met Mr Uthai, I told him. He talked about politics. I learned a lot from him. He is the former president of parliament and the former Speaker of the House. Everyone has different capabilities. He has been involved in politics for a long time. He has much more experience than I do. He is superior to me in many ways.

[Question] Will you reach an agreement with allied parties on whom to support, that is, on whom to support for the position of prime minister?

[Answer] In my view, if you want to call them allies.... I think that allies who will join us in opposing the Copyright Act, that is, who do not agree with Gen Prem.... To put it simply, we can call these parties A, B, and C. Each party may have 20, 25, or 10 seats. Could they be trusted? If Gen Prem became prime minister again and offered Party A two portfolios, it wouldn't oppose him. It would be drooling at the mouth over the prospect of those portfolios. How could we be allies? To do this, we must join the smaller parties together to form a single party and have a party leader, deputy leader, secretary, and executive committee. We must set our targets and state whom we want to be prime minister. We must make it clear whether we want or don't want Prem. If we don't, then that must be the decision of the entire party. If Prem becomes prime minister, the party must become an opposition party. Don't tell me that a small party can resist if it is offered portfolios. A weak party like that will give in. Suppose that Mr A is the party leader and the party has such and such a policy. If Prem becomes prime minister, the party will have to decide whether or not to join the government. If it decides not to join, then the entire party must join the opposition. I don't agree with forming small parties like this.

[Question] Are you concerned about the fact that Governor Chamlong Simuang has formed a party? Are you worried that things may be done improperly in dividing the constituencies and arranging the election?

[Answer] Mr Chamlong is an honest man. It's good that he has formed the Phalang Tham Party. This is the democratic way. I am sure that Maj Gen Chamlong is an honest person. I am sure that he won't do anything dishonest.

[Question] Do you think that the Phalang Tham Party will be a new factor in the election?

[Answer] As far as Chamlong is concerned, I have never found any reason to criticize him. He is very diligent. But I don't know whom he plans to run in the election. I don't know whether he will field any well-known people. Most people feel that he is a good person and that he works hard.

[Question] The Democrat Party has tried to give people the impression that it can cooperate with the Phalang Tham Party. Does the 10 January Group want to do the same thing?

[Answer] If we meet. We haven't met yet. If we meet at some function, because he is the leader of a political party and we are a political group, if we meet, we can talk together. That would be good. I would like to know what the steps of the Phalang Tham Party are. If I meet him, I will ask. We can meet. But I don't plan to run after him. There is no need to do that.

[Question] How are relations between your group and the party of Mr Samak?

[Answer] I think that we have similar lines. That is, Mr Samak is opposed to the Copyright Act, too. If Prem becomes prime minister again, he will probably revive the Copyright Act. Or perhaps he will switch to some other issue. But Mr Samak will probably remain in the united front, that is, this faction.

[Question] What methods will the 10 January Group use to win votes and eliminate its weaknesses? Chamlong's party has restricted itself by saying that the party will not seek ministerial portfolios.

[Answer] As far as the 10 January Group is concerned, if we agree with the prime minister.... If the party unites as a single party and agrees with him, we can join the government. But if we don't agree with the prime minister, I will have to stand in opposition. I think that there is still hope of forming a single party composed of former members who share the same ideals. We should join together. There shouldn't be small groups, that is, small parties.

[Question] If you succeed, there will probably be some political changes after this election, meaning points of political change.

[Answer] It will be like in the United States, where there are Republicans and Democrats. That would be a good political system. We can establish a party. We can definitely do that. And I am ready to serve as party leader.

[Question] During the past several days, there has been speculation that there might not be an election.

[Answer] If we unite to form a major party, a single party, the military might become alarmed and seize parliament. I don't know what to do. I am just one person and don't have any power. It's better to let the people of the country, who have power, decide when the time comes.

11943

CRMA Classes Line Up on RTA CINC Succession

*42070133a Bangkok LAK THAI in Thai
19 May 88 pp 21, 22*

[Excerpt] Big George and Big Su

A news source said that Gen Suchinda Khraprayun cannot follow Gen Phichit Kunlawanit, because he will retire only 1 year later. And he cannot follow Gen Wanchai Ruangtrakun, the deputy RTA CINC, because Gen Wanchai (CRMA [Chulachomklao Royal Military Academy] Class 1; born on 13 July 1932) will retire in 1992, too. Thus, Gen Suchinda Khraprayun has turned toward Gen Sunthon Khongsomphong, or Big George, who is now serving as chief of staff officers with the grade of field marshal in preparation for becoming RTA CINC, which carries the grade of field marshal, too. This is because Gen Sunthon will retire before Gen Wanchai and Gen Phichit. (Gen Sunthon, a member of CRMA Class 1, was born on 1 August 1931 and will retire in 1991.) Or if it is not Big George, it could be Gen Charuai Wongsayan, the army chief of staff, because he will retire before him. (Gen Charuai, a member of CRMA Class 1, was born on 21 June 1930 and will retire in 1990.) If Big Su follows Gen Sunthon Khongsomphong as RTA CINC, he will hold this position for 2 years. And if Big George retires 1 years ahead of time, Big Su will hold this position for 3 years, the same as if he follows Gen Charuai Wongsayan, who will retire in 1990. (Gen Sunthon and Gen Charuai, who are very close friends, have agreed to retire the same year. Even though Gen Sunthon is not due to retire until 1 year later, he has said that he will retire the same year as Gen Charuai.) Because of this, Gen Suchinda wants to follow after Big George instead of after Gen Wanchai Ruangtrakun or Gen Phichit Kunlawanit.

The news source said that Gen Suchinda Khraprayun knows that he cannot be appointed RTA CINC this year, because he does not have sufficient seniority. He was just promoted to full general in October 1987.

Spread to the Class

For various reasons, CRMA Class 5 is a very cohesive group. Even though the class is divided into groups referred to as 5/1 and 5/2, the leader is still Gen Suchinda Khraprayun. There is speculation about what the future holds for his classmates after Gen Suchinda becomes RTA CINC in order to keep their paths linked. There are two others who will link the power of this class.

Those are Lt Gen Isaraphong Nunphakdi, Big Tui, the commander of the 2d Army Region (born on 20 November 1933 and will retire in 1994), and Lt Gen Wimon Wongwanit, the commander of the Special Warfare Command, or special warfare/paratroop commander (born on 1 March 1935 and will retire in 1995).

At the same time, CRMA Class 4, which is senior to Class 5 by 1 year, has become the equal of Class 5 even though it once had less power. Lt Gen Siri Thiwaphan was promoted from deputy commander of the 3d Army Region to commander of this army region in place of Lt Gen Chaichana Tharichat, a member of CRMA Class 1, who died unexpectedly. Lt Gen Wattanachai Rutisiri, Big Krot, was promoted from deputy commander of the 1st Army Region to commander of this army region in place of Gen Phichit Kunlawanit, Big Sua. Lt Gen Wattanachai was born on 24 June 1935 and will retire in 1995.

Thus, CRMA Class 5 has two army region commanders. One, Lt Gen Isaraphong Nunphakdi, will retire in 1994, and the other, Lt Gen Wimon Wongwanit, will retire in 1995. CRMA Class 4 also has two army region commanders, Lt Gen Siri Thiwaphan, who will retire in 1994, the same year as Lt Gen Isaraphong Nunphakdi, and Lt Gen Wattanachai Wutisiri, who will retire in 1995, the same year as Lt Gen Wimon Wongwanit. This provides a clear picture of the struggle between CRMA classes 4 and 5.

Another important member of Class 4 is Lt Gen Yuthana Yaemphan, who was promoted last year from deputy commander of the 1st Army Region to assistant army chief of staff for intelligence. This "hero of Phuoc Tho," who was given this nickname during the Vietnam War, was born on 16 February 1932 and will retire in 1993.

Big Sua and Class 4

Our news source said that Gen Phichit Kunlawanit has important friends in CRMA Class 2. One of these is Gen Wichit Sukmak, the head of staff officers assigned to the supreme commander. Before parliament was dissolved, there were reports that Prem planned to appoint Gen Wichit to the position of RTA CINC. Others important friends are Lt Gen Sanan Sawetserani, the assistant army chief of staff for personnel, and Lt Gen Wisit Atkhumwong, the commander of the 4th Army Region.

"Relations between CRMA classes 2 and 4 are at a very high level. It can be said that Class 4 has the power to struggle against Class 5 because of the great support of Big Sua," said the news source. He added that certain elements of CRMA Classes 6 and 9 have forged links with Class 4. Looking at the combined power of these classes, it can be seen that Big Sua can "embrace" several classes.

Class 7 has been through many hardships. Big Sua has supported them. Senior classes consider them to be younger brothers. But the picture changed when Big Su attended a Class 7 banquet on 8 May. In particular, Col Prachak said that Big Su will be appointed RTA CINC in the future, because his rivals have all died. "This statement was very significant and told us several things," said the news source. He added that there are several people who started out as members of Class 5 but who graduated with Class 6 and who have close relations with Class 7. These people serve as links to Gen Suchinda Khraprayun. This has created a relationship at another level.

Important Both Now and in the Future

The news source said that besides affecting the present, the fact that Gen Suchinda cannot succeed Gen Phichit as RTA CINC because of retiring so soon after Gen Phichit will also affect the future. That is, if one faction rises to the top, those who link the faction will have a greater opportunity. For example, both Lt Gen Wattanachai Wutisiri and Lt Gen Wimon Wongwanit will retire in 1995. And today, they have equal seniority in terms of rank, position, and salary. Lt Gen Wattanachai's only advantage is that he belongs to a senior class.

"CRMA Class 4 supports Big Sua, and Class 5 is very tightly knit. People in political circles feel that this is very frightening at a time of transition," said the news source. But more comfortingly, he added that "there won't be any problems as long as Chiu, George, and Ruai are here to help coordinate things and keep things in harmony."

Gen Prem hosted the monthly dinner at Ban Sisao [Prem's residence] on 12 May before going abroad. The news source said that he took this opportunity to foster better understanding and greater unity. Or it can be said that he held that dinner in order to instruct those present not to allow anything to happen while he was out of the country. All senior military commanders were required to attend that dinner. That will probably have an effect on the political situation, which is somewhat uncertain. That is, people can rest assured that nothing will happen in the "bamboo grove" while things are still happening at Ban Sisao.

11943

Central Bank Sets Rules on Stock Exchange
42000389e Bangkok *THE BANGKOK POST* in English
6 Jun 88 p 19

[Article by Vatchara Charoonsantikul]

[Text] The Bank of Thailand is pondering regulations on the flow of foreign funds in a move seen as a measure to safeguard the stability of the Securities Exchange of Thailand.

Yet the central bank does not appear to be rushing into any drastic action against the foreign funds, given Thailand's strong international reserve backing which stood at US\$6,100 million at the end of May 1988.

Jaroong Nookhwun, director of the central bank's Department of Financial Institution, Supervision & Examination, said although the central bank welcomes the foreign funds brought in to invest in the Thai stock market, it wants to make sure that they are invested in a Thai manner beneficial to the market.

The Securities Exchange of Thailand is being accommodated by seven funds worth a combined US\$437 million. Of this, three are open-end and the remaining closed-end funds.

Of particular concern to the central bank are the offshore opened-end funds, most of which are speculative in investment approach.

Without a specified time frame, the central bank views, the heavy withdrawal of the open-end funds could have affected the order of the stock market, particularly at a time when the momentum of the market is catching on.

Earlier reports have revealed that another two new foreign funds will be set up with the combined investment of US\$155 million, of which Nomura Securities of Japan will account for a substantial US\$115 million, while Thananant Finance and Securities and Daiwa Securities of Japan the remaining US\$40 million.

Of late, the central bank has been receiving heavy inquiries from abroad asking about investment opportunities and economic conditions in Thailand. Jaroong stressed: "It will be of great benefits if we could regulate the foreign funds, something like what the Mutual Fund is doing through the establishment of onshore funds."

Under this plan, the central Bank seems to come up with two options in regulating the foreign funds. The first will involve foreign funds that carry amounts between US\$30-50 million.

These funds will be directed toward diversified investments, instead of concentrating on some blue chip companies. They will also be guided to purchase shares of non-listed firms.

Another regulatory method is to accelerate the formation of a unit trust, which will have to be approved by the Finance Ministry.

The underlying idea of the unit trust is that the government will issue a licence for a company wishing to pursue investment management in the securities business or the real estate sector.

The unit trust will differ from the finance business in that new products will be introduced to boost trading on the stock market such as real estate or linkages with the insurance business.

The unit trust business, essentially making money through the commission fees, will also play a pivotal role in mobilizing domestic as well as overseas funds.

The current finance and securities companies will be allowed to continue their operations, though they will be barred from handling business like what the unit trusts will be doing.

The idea is to resolve the overlapping business between finance and securities, and at the same time putting the number of unit trusts under control

Hefty Profits for Brokerage Firms

Meanwhile, the market capitalization projects a fair idea as to the pace of the Securities Exchange of Thailand has been expanding. By the end of May 1988, the market capitalization totalled 214,914.29 million baht, up by 79,919.52 million baht or 37.19 per cent over the same period last year.

The SET index closed at 424.93 points in May, compared to 139.96 points at the same period of 1987 representing a big jump of 49.11 per cent.

Over this particular period, 10 listed and authorized companies entered the stock market.

The securities business of the brokerage and sub-brokerage firms has also been growing at a corresponding rate. The combined revenues of the 93 finance and securities companies in 1987 reached 14,330 million baht. Of this, 3,550 million baht or 24.7 per cent accounted for the securities business, a proportion higher than 1986's 13 per cent. The securities business in 1987 grew by 74.88 per cent over that in 1986.

The seven leading securities companies of the country reported a combined revenue of 405 million baht, of which 93 million baht accounted for interests and dividends, 220 million baht for brokerage fees and 97 million baht for dealership profits.

The securities business has turned out to be a money-making machine for the leading securities companies, which have linkages with the commercial banks.

POLITICAL

Hau Giang Province Publishes Books in Cambodian

42090197c Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 8 May 88 p 1

[Text] In order to serve 1 million compatriots of the Khmer minority in Hau Giang and adjacent provinces, the Hau Giang Integrated Publishing House has published 10 books in Cambodian over the period just past: "Resolution of the Sixth Party Congress and Resolution of Hau Giang Province," "Notes from Number Zero" (chronicle about Kampuchea), "Mother Holds Weapon," "Thnenh Cheay" and "Aleu" (folk story), and "Prevention and Care of Illness in the Family." In the near future, the publishing house will be offering readers "The Life and Activities of Chairman Ho," "Khmer Folk Stories of the Mekong River Delta," and "Collection of Khmer Folk Pictures of the Mekong River Delta" (including 150 pictures, with explanatory notes in three languages: Cambodian, Vietnamese, and English).

9830

Lawyer Points Out Legal Abuses, Advocates Placing Law in Hands of People

42090197a Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 5 May 88 p 1

[Article by Trinh Ngoc Thach, of the Municipal Association of Lawyers: "Placing Law in the Hands of People"]

[Text] Since the Sixth Party Congress, progress made in living according to law and implementation of law has been cause for celebration. Yet it must be recognized that certain realities need to be quickly resolved. There is still a relatively high number of cases of violation of the law. Light sentences given in some cases are inappropriate to the gravity of the offenses committed. Alongside cases of crimes committed out of blindness caused by special privileges there are still citizens who unintentionally commit violations out of ignorance of the law. Many persons have disrespect for the law or have lost confidence in the socialist legal system. At times and places, instances still occur of unlawful arrest and detention, detention beyond the time limit set by law, disregard for strict prohibitions of the law, using corporal punishment to extort evidence, and violating the person and dignity of those temporarily detained. There are frequent instances of unlawful or unfair trials, of looking the other way and failing to prosecute cases, and of criminals acting complacently after the sentence has been passed and become effective.

To correct this situation, the law must be put into the hands of the people and an environment of equity must be created that makes it possible for citizens truly "to live and to work in accordance with the constitution and the law." In addition to intensively publicizing the law and educating the people and state cadres and workers

regarding the law, it is necessary to provide the ranks of those doing legal work with more cadres with a high level of knowledge, with professionalism and specialization, and with good quality and ethics. Administration and party committees at the various levels must see to regular management and control of law implementation and pay more attention to remote rural areas, places where it is very possible for the light of justice to be covered up because of "new village bullies." In order to increase the confidence of the people in the socialist legal system, we must absolutely respect, obey, and strictly implement the principle of the equality of each citizen before the law. We must highlight the positive aspects of justice and respect for the law, and we must show that attitude from the top down, not in the opposite direction, from the bottom to the top! The higher the position and the greater the authority of cadres and party members, the more they must show an example of respect, obedience, and good implementation of all laws. This is the only way to avoid disregard at the top and failure at the bottom. The absolute equality of the law must be observed fully in all actions and exchanges of citizens, and between individuals and between individuals and state organizations.

All texts of agreements that violate the fairness of the law must be corrected or abolished.

One way in which putting the law in the hands of the people is useful is that it makes the law a weapon for fighting shortcomings and protecting and activating the democratic rights of the people.

9830

Reader Extols Challenge of Openness, Democracy

42090196c Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 19 May 88 p 1

[Article by Kim Hoang, of Rach Gia-Kien Giang: "Democracy. Openness—a Challenge"]

[Text] Openness and democracy are familiar terms in the tides of innovation. Openness and democracy are also critically required for continuing existence. Everyone knows this, but not everyone is prepared to implement it. The matter is still very complicated and extremely difficult. The diseases of secrecy and arbitrariness have rigidified the brains of many persons in positions of authority. For that reason, democracy and openness challenge us all, especially those of us who are leaders at various levels and in every area of society.

First of all, pragmatism demands democratization and opening up, which require one to look squarely at the truth, speak the truth, listen to the complete truth, and implement the truth. This is a terrible demand, and also a very frank one. Only one with true talent, virtue, and ability dares to readily accept the conditions implied in it. To accept democracy is to accept advantages and disadvantages in order to arrive at the best conclusion.

This is very difficult, not easy, like it used to be when a parent could say whatever he or she wanted, stupidity in officials was praised for wisdom, and one had to show respectful gratitude when struck by an official. When a poor person dared raise his head to speak directly and speak the truth, he was immediately punished. The democratic system strictly prohibits this. Concealment, covering up, and arbitrariness are fraudulent, not being frank. Democracy and openness do not accept impropriety, ambiguity, mixtures of truth and falsity; democracy and openness oppose even mediocrity, being neither good nor bad, neither positive nor negative, which means attempts to cover up, attempts to hedge. Public life is a serious matter. Whoever accepts responsibility, large or small, agrees to get up on a platform and to pit talents and match wits. Conscience requires justice and equity. Openness and democracy sometimes require payment of a very high price. Therefore, the tide of democratization is a challenge for all of us.

9830

63 Party Members Disciplined in Cuu Long Province

42090197b Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 6 May 88 p 1

[Text] Party levels and party control organizations in Cuu Long Province have checked and reviewed party members with shortcomings and mistakes. Party levels subjected 164 party members to review for corruption and deviation; 63 of these have been purged from the party.

9830

10 Dac Lac Party Organizations, 557 Members Disciplined

42090196b Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 19 May 88 p 1

[Text] To date, party control committees at all levels in Dac Lac Province have completed investigations of 433 cases out of 534 accusations against party members sent in since the start of the drive "to immediately do what must be done" and have disciplined 557 party members. Of these, 143 were purged from the party, and 47 others were removed from the rolls of party membership. With actions ranging from reprimands to warnings, the party committees also disciplined 10 basic-level party organizations that had deviated from policies, instructions, and resolutions of the party.

9830

Minh Hai Province Investigates Illegal Detainments

42090196a Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 19 May 88 p 1

[Text] (VNA)—In response to requests and letters from the people, Minh Hai Province has investigated and inspected jails and discovered many instances of citizens illegally arrested and detained. In some districts, public security forces are still using physical punishment, extortion of evidence, and entrapment to "quickly assemble litigation files."

In jails and reform sites in Minh Hai there are presently 531 cases of persons detained beyond the time limit set by law, 96 cases of persons arrested and detained without orders signed by the echelon in authority, and, most serious, 23 instances of imprisonment based solely on handwritten letters. A considerable number of persons are in jail without documentation; in one instance, an individual has been detained for more than 5 years.

Minh Hai Province is directing associated sectors to urgently investigate and resolve existing cases of arrest and detention past the time limit set by law and resolutely punish individuals that take advantage of their authority for illegal acts.

9830

MILITARY

Engineer Branch Reemphasizes Combat Training

42090189 Hanoi QUAN DOI NHAN DAN in
Vietnamese 4 Apr 88 p 2

[Article by Colonel Nguyen Ki Minh, Training Bureau, Engineer Branch: "Make the Combat Training Mission a Foremost Position"]

[Text] This must be repeated because during the recent past and even in the engineer branch, we have had units with indications of neglecting the combat training mission. There is often less time and effort reserved for the training mission than for construction and economic work. This situation has occurred in a number of units, leading to lower than necessary results in combat training quality.

Before beginning the 1988 training year, the engineer branch held many conferences for the military command and political cadres of all units to strictly evaluate the 1987 training and to develop the 1988 training plan.

Shortcomings and weaknesses in training were frankly and clearly pointed out without concealment or responsibility assessment. The year 1988 is one in which the entire branch is considering the combat training mission as central with an objective of creating a true change in combat training quality in all units and in the quality of elementary training in the schools.

A number of primary shortcomings in the training of engineer units during the past year may be mentioned such as:

—The troops conducted little practice, their combat actions were awkward, and they failed to achieve the required abilities and skills.

—The quality of tactical training was still low and joint tactical operations by small detachments was weak.

—The standards of vehicle, equipment and weapons use and maintenance did not meet requirements.

—Training in strict accordance with combat realities (complex conditions of terrain, weather, darkness, etc.) has still not received the proper level of consideration.

There are many specific causes but underlying all of them is the fact that unit commanders and leaders have not yet truly considered the combat training mission as a central issue, and training is still not related to the final result, the combat level of the troops and the combat readiness capability of the unit.

Combat training science has pointed out that to achieve the combat standards of a soldier (especially in the technical branches), a sufficient volume of quality training is required. Training cannot be inadequate or cursory with the time and curriculum shortened and the regulations reduced and still achieve good and excellent results. This is not counting the few command cadres who falsely concoct percentages and magnify figures when reporting combat results to higher echelons. This is extremely dangerous because the daily work of units is to prepare every aspect (knowledge, capabilities, skills, psychology, physical strength, etc.) to answer combat requirements. When incompletely trained soldiers enter combat, they cannot complete their mission. Achievement of norms in training is something we are giving special concern during 1988. We thoroughly and profoundly understand that to the combat cadre at the basic level, a training norm must be considered as a regulation. Norms are stipulated for each specific objective, not in a generalized manner for everyone. Many units while formulating their training plans have maintained close contact with these norms and have established individual training plans for each cadre, soldier, specialist and technician. We have carefully calculated and affirmed that training meeting all norms is only possible when full and effective use is made of each hour in training. If the schedule and training period are shortened or reduced, a sufficient volume of training for the troops is impossible to ensure.

Highest results must be achieved during each hour of study. That is the determination of unit commanders during this training year. Each hour of study must be carefully prepared: lesson plans, training aids, exercise fields, vehicles and fuel for practice and training. We also agree with the opinions on the present general difficulties in ensuring material facilities for training but clearly the situation could be improved if commanders at all levels know how to take the initiative in overcoming difficulty. The engineer branch presently has three units with basic training fields for technical training and combined branch tactics. Some fairly large and conventional fields have been constructed such as in the Song Lo Engineer Group, Unit H19, etc.

We have decided that the time has come for all tasks to be developed and implemented in accordance with the norms. We have established a series of norm indexes on: training efficiency, project assurance, technical training, combat action and technical work achievement, fuel

consumption in training, and training costs. After being agreed upon and promulgated, these norm indexes will be considered as regulations and all echelons will be responsible for compliance.

To achieve these norm indexes, the ranks of military and political cadres in all units must have enthusiasm and responsibility for the training task, have training capabilities and methods, know how to manage and handle the scientific training plan, and give attention to the overall psychology of those cadres troubled by training and fond of building and engaging in economic work because the final benefit of training has no economic stimulation value and training results can only be evaluated and tested through combat. Under the present circumstances, all units must reserve some time and effort of cadres and soldiers for stabilizing life but combat training cannot be considered as a task of secondary importance that can be completed in any manner.

We believe that if commanders and leaders at all the levels of engineer units clearly recognize and properly achieve the slogan, "Combat training is the central mission," surely during the 1988 training year, the engineer branch will create a significant change in training quality.

7300

ECONOMIC

Overseas Vietnamese Endeavor To Help City Construction

Visitors Seek Specific Information

42090198a Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 6 May 88 p 1

[Text] (VNA)—On 5 May 1988, the Municipal Committee on Economic Cooperation held a cordial discussion with overseas Vietnamese intellectuals visiting the city.

Many overseas Vietnamese intellectuals expressed the hope that they might contribute their capabilities and material and technical base to the city. So far, that contribution has been very limited, however, because no concrete policy exists for enabling overseas Vietnamese to obtain the information they need regarding the technical production requirements in the city.

After introducing the 4 advanced directions and 16 target programs for economic cooperation of the city, Professor Hoang Anh Tuan, chairman of the Municipal Committee on Economic Cooperation, said, "In the near future, the Municipal Committee on Economic Cooperation will propose to the Municipal People's Committee many concrete measures aimed at enabling overseas Vietnamese intellectuals to develop ideal capabilities for development of economic cooperation in the interests of production and the daily life of the people on the municipal level.

9830

Duyen Hai Projects Planned by FRG Residents
42090198b Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 8 May 88 p 1

[Text] During the exhibition at the 30 April Quang Trung market conference, Duyen Hai District and Sara Tours, a company of overseas Vietnamese in the Federal Republic of Germany, established cooperative relations for research and investment in the socioeconomic development of Duyen Hai. The parties discussed the research, production or import, and assembly of equipment for using solar energy to generate electricity and filter fresh water from brackish and salt water in each area for economically effective use in production and daily life.

9830

SOCIAL

**Writer Distressed About Loss of Standards,
Disorder in Daily Life**
42090165B Paris DOAN KET in Vietnamese
Mar 88 p 36

[Article by Nguyen Duy: "Matters That Seem Unimportant"; continuation of article published in JPRS-SEA-88-028, 20 Jun 88 p 52]

[Excerpt] Homeless people are living like nomadic tribes in the heart of the city and have become a common sight. They defecate here and there along the edge of the sidewalks. Men and women of all ages beg and rummage for things everywhere. And it's not because they are all poor or incapacitated. Lepers display their blood-red scars. Disabled people are convulsed with pain in the middle of the road. People who are insane walk naked in the streets. Are these minor matters?

If you watch just one section of the road, you can see clearly the ordinary movement of many abnormal things. Many people do frightening things, such as encroaching on the roads, taking over the sidewalks haphazardly, and crossing the roads wherever they want. Motorcycles cruise back and forth, pedicabs drive wherever they want, and bicycles are everywhere. These are all common sights. The sound of the vehicles never abates, and vehicle exhaust covers everyone. These things have been discussed many times, but nothing has changed. Are such illegal and disorderly actions minor matters?

Countless such "minor matters" are common in life today. Small lies. Small deceptions. Minor fraud. A little deception. Minor errors. For a few dong, a person is allowed to keep an expensive vehicle or a merchant forgets common practice and doesn't give back the change. And so on and so on.... The system of such minor matters has created a sociological defect: reflex paralysis concerning the loss of standards. This has led to indifference to what is good and bad, and this disease can easily spread to our children. From moral offenses to criminal violations is just a short hop.

We have been at peace and have been building socialism in southern Vietnam for 12 years now. We can no longer blame all our social mistakes on the American-puppet system as exemplified by the phrase "everything good belongs to us, and everything bad belongs to the enemy." Neither can we blame everything on the troubled economy. (It could be said that just the opposite is true, that is, that these things have created additional difficulties for the economy.) Is it because the management mechanism is unscientific? Is it because social organization is impractical? Is it because the laws are not strict? There are many important reasons, one of which is that culture and education have been slighted. From understanding to action, not enough attention has been given to looking after people and the so-called minor matters.

Remembering the neighborhood meeting, I thought that along with "speaking frankly and honestly" about the nation's major problems, we should also "speak frankly and honestly," being very specific, about the "minor matters" in daily life that are related to life and collective order in order to apply basic civic principles. These are the foundation of society and the root of law, and they contribute to determining whether the great movement succeeds or fails and whether the country and people prosper or decline.

11943

Film Depicts People's Adversity
42090188 Paris DOAN KET in Vietnamese
May 88 p 33

[Article by Dr Nguyen Thi Ngoc Phuong: "A Severe Warning" reprinted from TUOI TRE, Spring 1988]

[Text] I just left the operating room. Today I performed two fairly difficult cancer operations. Although my work is piling up, I still think constantly about a certain film and wanted to tell the readers of TUOI TRE because it has caused me many sleepless, anxious and unsettled nights.

The film's producer calls it "A Nice Story." A director friend of his was about to die from cancer. When the director's friends asked him about his last wishes, he simply said he wanted those remaining to make a nice film. Something nice to be used for consultation on methods of mutual treatment, feelings and kindness between people.

The story begins with a statement by a distinguished person, "In nature there is only one kind of domestic animal that turns its back on the suffering of its own kind to look after its own hide." Following that is a series of scenes on different lives and fates.

A young soldier is asked if he understands what it means to be "loyal to the nation and devoted to the people." Turning the brim of his cap round and round, he confesses he does not understand these things. In reality, they are extremely simple to understand. Devotion to the people is the same as a child's devotion to his

parents. The more devoted he becomes, the more concerned he is about them when they become old and weak. Subsequent scenes create strong emotions. Many old people are pushed out onto the sidewalk to sell sundry items, cigarettes, tea, etc.

The film raises an aching question: our society often elevates mankind and the ideal of for the people and by the people. We have many titles: people's bookshops, people's committees, people's inspection, public security, people's army, etc., but how are the people living? Thousands of neglected people are crowded into the Hang Co railroad station. This distressing scene is extremely painful to the viewer. Even more painful is the accompanying explanation, "These are the servants of the people." The majestic Ba Dinh auditorium has an endless shining red carpet stretching out to the street. One after another, Volga automobiles stop and haughty national assembly delegates get out, clutching their briefcases. What do these delegates understand and think about the people's life of severe hardship?

Of increasing concern is the kindness shown those with merit. How is the life of a teacher who has skillfully taught mathematics for many successive years? He is bending his back to pedal a vehicle hauling two huge and tremendously high baskets of bindweed to the market to sell. Watching this emaciated and thin gentleman is difficult to bear. He requests that the film be stopped for fear his picture will sully the system! An army colonel, once a hero of the Dien Bien Phu campaign with four or five bright red medals, is now sitting and pumping up bicycle tires on the sidewalk in a small tumbledown shed. Bereft of customers, he and his tiny grandson anxiously and expectantly look around them.

Each of these scenes continues to tug at the viewer's heart. They are extremely common scenes that we still see every day. At the end of the film, I continue to think constantly about the previous generation. Vietnamese greatly respect principle and are profoundly grateful to those with merit. Who does not feel deeply aggrieved when those individuals become destitute in their old age? How can we, the young, invest our thinking and creativity for greater efficiency to provide many additional material assets in a suitable social policy for those who have devoted their entire life to the fatherland? Most painful of all are the physicians, those who have looked after the lives of everyone. Circumstances have contributed in forcing them into a position in which not many still recall the Hippocratic oath to never accept compensation from the patient in excess of the effort expended.

There are also some doctors who spend their entire life in unselfish sacrifice. One of their addresses is the Qui Hoa leper's hospital in Phu Khanh. There are still located the sisters of mercy who have and are devoting their entire life to caring for the leper patients. Many have contracted the disease themselves and with ulcerated faces

continue to happily dedicate themselves to each patient. What causes such profound love for those unfortunate patients? Primarily confidence. With confidence, any adversity can be overcome.

Dodging the truth, distortion and whitewashing are long-time sicknesses of many cultural works. All the most common laborers hate these "ailments."

Beside a brick kiln, the producer conducted self-criticism.

The scene is a small brick kiln alongside the road. The thatched hut is crowded and the scene is bleak. The kiln owner's wife is serving rice to her children on a tray exposed to the sun and dust while the owner shouts at the cameraman, "Get out of here. What is this film for? Will you dare to present this actual scene or will it be cut, covered up or whitewashed?"

The bad habit of whitewashing and dodging the truth in literature, art and even the press has caused the people to lose confidence, assisted in further separating those in authority from the people, and caused them to become insensitive to the suffering of the people. This not only concerns those living but also those who have died. Instead of being respected, they are the victims of discrimination. The manager of the Mai Dich Cemetery mused, "Luck has made me manager of all the people lying here. If they could talk, I surely would not hold a discussion with them, especially the respected great authors, on the situation of discrimination here. The graves of authors Nguyen Tuan, Xuan Dieu, etc. are only bleak handfuls of dirt soaked with water."

At the end of the film, the producer narrates from an automobile while filming heavily laden people moving along both sides of the road, "The suffering of the people of which we speak is of little value because only by living in hardship can one fully understand their desperate poverty."

I know that many have experienced a painful suffocation while watching the film. I could not stop crying but was afraid of being ridiculed, "women often cry," so I let my tears run and my nose drip silently without daring to wipe them. Thanks to the film's producer for scenes that help everyone to see and reexamine themselves. During the recent past, our mistakes in economic and social management have caused great suffering for the people. Mental renovation, especially economic thinking, is extremely pressing in the present situation.

The film has caused me to lose sleep for several days and made me very sad. Many of the other delegates feel the same. I think that we, especially the party and state cadres, should probably all see this film. It is a cry of conscience and a most genuine and strict confession.